

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the fiscal year ended  
June 30, 2014**



**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

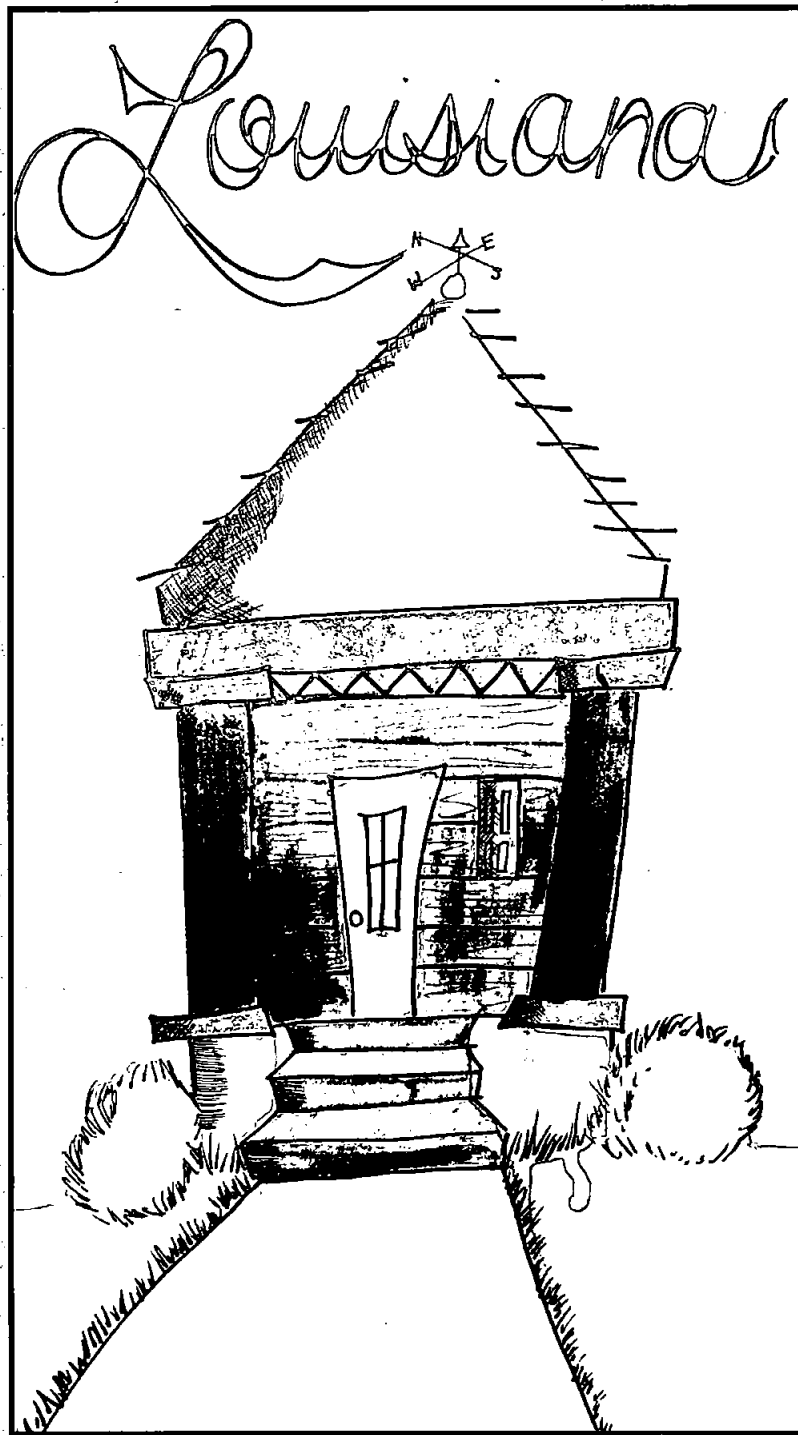
FRONT COVER  
"Guiding Light"

by Madison Pittman  
Mandeville Middle School - 6  
Teacher: Robyn Kennedy

**ST. TAMMANY PARISH  
SCHOOL BOARD  
Covington, Louisiana**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended  
June 30, 2014**

**Prepared by:  
DEPARTMENT OF BUSINESS AFFAIRS  
Terri Prevost, CPA, Director of Business Affairs**



"Louisiana Homestead"  
Ashley Mentel - Grade 10  
Shelley Hickman - Teacher  
Covington High School

| <b>Contents</b>   | <b>Statement</b> | <b>Page</b> |
|---|------------------|-------------|
| <b>I. INTRODUCTORY SECTION</b>  |                  |             |
| Transmittal Letter  |                  | v - x       |
| Government Finance Officers Association of the United States<br>and Canada Certificate of Achievement for Excellence in<br>Financial Reporting  |                  | xi          |
| Association of School Business Officials, International Certificate<br>of Excellence in Financial Reporting                                     |                  | xii         |
| Organizational Chart  |                  | xiii        |
| List of Principal Officials   |                  | xiv         |
| <b>II. FINANCIAL SECTION</b>  |                  |             |
| Independent Auditor's Report  |                  | 1 - 3       |
| Required Supplementary Information -<br>Management's Discussion and Analysis (MD&A)   |                  | 4 - 14      |
| Basic Financial Statements:   |                  |             |
| Government-Wide Financial Statements (GWFS)   |                  |             |
| Statement of Net Position   | A                | 15          |
| Statement of Activities   | B                | 16          |
| Fund Financial Statements (FFS)   |                  |             |
| Governmental Funds:   |                  |             |
| Balance Sheet - With Comparative Totals   | C                | 17          |
| Reconciliation of the Governmental Funds Balance Sheet<br>to the Statement of Net Position  | D                | 18          |
| Statement of Revenues, Expenditures, and Changes<br>in Fund Balances - With Comparative Totals  | E                | 19          |
| Reconciliation of the Governmental Funds Statement of<br>Revenues, Expenditures, and Changes in Fund Balances<br>to the Statement of Activities | F                | 20          |
| Proprietary Fund Type - Internal Service Fund:  |                  |             |
| Statement of Net Position   | G                | 21          |
| Statement of Revenues, Expenses, and Changes<br>in Net Position   | H                | 22          |
| Statement of Cash Flows   | I                | 23          |
| Fiduciary/Agency Fund:  |                  |             |
| Comparative Statement of Fiduciary Assets and Liabilities -<br>School Activity Fund   | J                | 24          |
| Notes to Basic Financial Statements   |                  | 25 - 59     |

| <b>Contents (Continued)</b>  | <b>Statement/<br/>Exhibit</b> | <b>Page</b> |
|--|-------------------------------|-------------|
| <b>II. FINANCIAL SECTION (Continued)</b>   |                               |             |
| Required Supplementary Information - Other:  |                               |             |
| Budgetary Comparison Schedules   |                               |             |
| General Fund   | 1-1                           | 60 - 61     |
| Katrina Special Revenue Fund   | 1-2                           | 62          |
| Notes to Budgetary Comparison Schedules  |                               | 63          |
| Schedule of Funding Progress   | 1-3                           | 64          |
| Other Supplementary Information:   |                               |             |
| Description of Non-Major Funds   |                               | 65 - 66     |
| Combining Non-Major Governmental Funds - By Fund Type:   |                               |             |
| Combining Balance Sheet - With Comparative Totals  | 1                             | 67          |
| Combining Statement of Revenue, Expenditures, and Changes<br>in Fund Balances - With Comparative Totals  | 2                             | 68          |
| Non-Major Special Revenue Funds:   |                               |             |
| Combining Balance Sheet - With Comparative Totals  | 3                             | 69 - 70     |
| Combining Statement of Revenues, Expenditures, and<br>Changes in Fund Balances - With Comparative Totals | 4                             | 71 - 72     |
| Schedule of Revenues, Expenditures, and Changes in<br>Fund Balance - Budget and Actual:                  |                               |             |
| NCLB Fund  | 5                             | 73          |
| IDEA Fund  | 6                             | 74          |
| TANF Fund  | 7                             | 75          |
| Vocational Education Fund  | 8                             | 76          |
| Miscellaneous Programs Fund  | 9                             | 77          |
| 8G Fund  | 10                            | 78          |
| School Food Service Fund   | 11                            | 79          |
| CDBG Fund  | 12                            | 80          |
| Non-Major Capital Projects Funds:  |                               |             |
| Combining Balance Sheet - With Comparative Totals  | 13                            | 81          |
| Combining Statement of Revenues, Expenditures, and<br>Changes in Fund Balances - With Comparative Totals | 14                            | 82          |
| Schedule of Revenues, Expenditures, and Changes in<br>Fund Balance - Budget and Actual:                  |                               |             |
| 2008 Construction Fund   | 15                            | 83          |
| Re-Roofing Construction Fund   | 16                            | 84          |
| Parish Wide Construction Fund  | 17                            | 85          |

| <b>Contents (Continued)</b>  | <b>Exhibit/<br/>Table</b> | <b>Page</b> |
|--|---------------------------|-------------|
| <b>II. FINANCIAL SECTION (Continued)</b>   |                           |             |
| Non-Major Internal Service Funds:  |                           |             |
| Combining Statement of Net Position  | 18                        | 86          |
| Combining Statement of Revenues, Expenses, and<br>Changes in Net Position                            | 19                        | 87          |
| Combining Statement of Cash Flows  | 20                        | 88          |
| Non-Major School Activity Agency Funds:  |                           |             |
| Statement of Changes in Fiduciary Assets and Liabilities   | 21                        | 89          |
| Major Capital Projects and Debt Service Funds:   |                           |             |
| Schedule of Revenues, Expenditures, and Changes in<br>Fund Balance - Budget and Actual:              |                           |             |
| 2013 Construction Capital Projects Fund  | 22                        | 90          |
| Parish Wide School District No. 12 Debt Service Fund   | 23                        | 91          |
| <b>III. STATISTICAL SECTION (UNAUDITED)</b>  |                           |             |
| Contents   |                           | 92          |
| Net Position by Component - Last Ten Fiscal Years  | 1                         | 93 - 94     |
| Changes in Net Position - Last Ten Fiscal Years  | 2                         | 95 - 96     |
| Fund Balances of Governmental Funds - Last Ten Fiscal Years  | 3                         | 97          |
| Changes in Fund Balances of Governmental Funds and Tax<br>Revenues by Source - Last Ten Fiscal Years | 4                         | 98 - 99     |
| Assessed Value and Estimated Actual Value of Taxable<br>Property - Last Ten Fiscal Years             | 5                         | 100         |
| Principal Property Taxpayers - Current Year and Nine Years Ago                                       | 6                         | 101         |
| Property Tax Rates - Direct and Overlapping Governments -<br>Last Ten Fiscal Years                   | 7                         | 102 - 103   |
| Property Tax Levies and Collections - Last Ten Fiscal Years  | 8                         | 104         |
| Sales Tax Revenue - Last Ten Fiscal Years  | 9                         | 105         |
| Ratios of Outstanding Debt by Type - Last Ten Fiscal Years   | 10                        | 106 - 107   |
| Ratios of General Bonded Debt Outstanding - Last Ten<br>Fiscal Years                                 | 11                        | 108 - 109   |
| Computation of Legal Debt Margin - Last Ten Tax Years  | 12                        | 110         |
| Computation of Direct and Overlapping Debt   | 13                        | 111         |
| Pledged Revenue Coverage - Last Ten Fiscal Years   | 14                        | 112         |
| Demographic Statistics - Last Ten Fiscal Years   | 15                        | 113         |
| Principal Employers - Current Year and Nine Years Ago  | 16                        | 114         |
| General Fund Expenditures by Function - Last Ten Fiscal Years  | 17                        | 115 - 116   |
| General Fund Expenditures by Function per Pupil - Last Ten<br>Fiscal Years                           | 18                        | 117 - 118   |
| Board Members' Compensation  | 19                        | 119         |
| Full-Time Equivalents (FTE) Employees - Last Ten Fiscal Years  | 20                        | 120 - 123   |
| Capital Asset Information  | 21                        | 124 - 126   |
| Percentage of Students in Free and Reduced Lunch Program -<br>Last Ten Fiscal Years                  | 22                        | 127         |
| History of High School Graduates - Last Ten Fiscal Years   | 23                        | 128         |

**IV. SINGLE AUDIT SECTION**

|   |           |
|---|-----------|
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 129 -130  |
| Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133        | 131 - 133 |
| Schedule of Expenditures of Federal Awards  | 134 - 135 |
| Notes to Schedule of Expenditures of Federal Awards   | 136 - 137 |
| Schedule of Findings and Questioned Costs   | 138 - 139 |
| Summary Schedule of Prior Year Findings and Questioned Costs  | 140       |





W. L. "Trey" Folse, III  
Superintendent

Cheryl Arable  
Assistant Superintendent

Pete Jabbla  
Assistant Superintendent

| District | Board Members                           |
|----------|---|
| 2        | Elizabeth B. Heintz, President          |
| 11       | Robert R. "Bob" Wornack, Vice President |
| 1        | Neal M. Hennegan                        |
| 3        | Michael J. Dirmann                      |
| 4        | Stephen J. "Jack" Loup, III             |
| 5        | Charles T. Harrell                      |
| 6        | Roanne V. Tipton                        |
| 7        | Willie B. Jeter                         |
| 8        | Peggy H. Seeley                         |
| 9        | Robin P. Mullett                        |
| 10       | Ronald "Ron" Bettencourt                |
| 12       | James "Ronnie" Panks, Sr.               |
| 13       | John C. Lamarque                        |
| 14       | Ray A. Alfred                           |
| 15       | Mary K. Bellisario                      |

December 3, 2014

The Members of the  
St. Tammany Parish School Board  
and The Citizens of St. Tammany Parish  
Covington, Louisiana

The comprehensive annual financial report of the St. Tammany Parish School Board (the School Board) for the fiscal year ended June 30, 2014, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the School Board. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the School Board. All disclosures necessary to enable the reader to gain an understanding of the School Board's financial activities have been included.

LaPorte, A Professional Accounting Corporation, has issued an unmodified (clean) opinion on the St. Tammany Parish School Board's financial statements for the year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of the report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The School Board is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, as amended, and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and the Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133, are included in the Single Audit Section of this report.

This report includes all funds and activities for which the School Board exercises financial accountability. The School Board is a legislative body authorized to govern the public education system of St. Tammany Parish, Louisiana (the Parish). A fifteen-member board governs the school system with each member serving a concurrent four-year term. The current board's term will expire in 2014.

*Learning to Last a Lifetime.®*

## **PROFILE OF SCHOOL BOARD**

It is the responsibility of the School Board to make public education available to the residents of St. Tammany Parish, including instructional personnel, instructional facilities, administrative support, business services, operation and maintenance, and bus transportation. The School Board provides a full range of public education services appropriate to grade levels ranging from pre-kindergarten through grade twelve. These include regular and enriched academic education, special education for handicapped children and vocational education. The school system has a current enrollment of 38,044 which includes 1,277 pre-kindergarten students.

The School Board is authorized to establish public schools as it deems necessary, to provide adequate school facilities for the children of the Parish, to determine the number of teachers to be employed, and to determine the local supplement to their salaries. Accordingly, since the School Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for financial matters, the School Board is not included in any other governmental reporting entity. See footnote 1A for more information.

## **ECONOMIC CONDITION AND OUTLOOK**

St. Tammany Parish is one of the southeastern parishes (counties) of Louisiana and covers an area of 1,141 square miles. St. Tammany Parish is located directly north of New Orleans on the north shore of Lake Pontchartrain. The Parish's population and economic base continues to expand. The population of St. Tammany Parish is estimated at 242,333.

The economy of St. Tammany Parish is primarily residential, which has brought an influx of retail and service establishments, offices, and shopping centers. However, there is a unique blend of residents employed in a variety of diverse industries ranging from agriculture to space-aged technology. St. Tammany Parish's transportation accessibility, low business costs, availability of labor, low crime rate, and first-rate medical facilities encourage continued growth.

The St. Tammany Composite Growth Index increased 2.8% during the 2013-2014 year. Commercial building permits decreased by an average of 32.5% and employment was up by 1.7%, as compared to 2012-2013, while electric customer count, single-family building permits, and Parish total sales were up by 1.2%, 23.5%, and 2.7%, respectively, as compared to 2012-2013. The unemployment rate in the Parish is lower than the average for the state and the nation. Single-family building permits issued are greater than the national average. The economy in the Parish continues to expand with some increases as compared to 2012-2013.

## **LONG-TERM FINANCIAL PLANNING**

The fund balance of the General Fund (17% of revenues and 18% of expenditures) is in line with the School Board policy guidelines of 15% of expenditures. The School Board continues to cut expenditures and to eliminate employees through attrition. Budget reductions in 2013-2014 were approximately \$1 million in salaries and benefits alone. Our General Fund continues to be strained as a result of increased costs of state retirement system contributions and employee health insurance benefits. The School Board continues to have student growth with declines in state and federal funding.

The School Board has restructured expenditures to utilize existing federal and state funding efficiently. We continue to monitor expenditures and to evaluate all employment positions as employees retire. We expect to have continued student growth in the future and are hopeful that we will see growth in our local revenue sources. St. Tammany Parish continues to grow and prosper, so our local revenues should continue to grow over time.

## **MAJOR INITIATIVES**

In 2005-2006, the School Board began work on some new educational initiatives. These initiatives are designed to continue moving our schools towards higher achievement and expand on safety in our schools.

Some of the programs started in 2005-2006 and continuing through 2013-2014 are the School Board's implementation of the guaranteed curriculum, increased elementary planning time, safe and caring schools. The cost of these programs is relatively low when compared to the positive impact that is expected from these programs.

The School Board also started an energy conservation effort throughout the Parish. By educating our employees on the need to conserve energy and presenting them with ways to do so, the School Board has saved a significant amount of money spent on heating, cooling and lighting. Thus far, the amount saved on utilities exceeds \$15 million. The school safety plan and technology initiative were funded by a bond issue passed by the voters in March 2008. In the past three years, the School Board and its facilities received several distinguished awards and recognitions, such as 2010 Grand Prize Magna Award Winner for our efforts in energy conservation, Named Top 100 School Systems by Money Magazine, 7 schools named National Schools of Excellence by the U.S. Department of Education, SchoolWatch What Parents Want Award Winner, Food Service selected 27 schools for National Awards by U.S. Department of Agriculture and National Food Service Association, 14 teachers chosen for Presidential Awards for Excellence in Mathematics and Science Teaching by National Science Foundation, Energy Milestone Award, and Energy Star-Leader Certificate Recipient. Our school system was given an A letter grade by the Louisiana Department of Education as a result of our academic performance for the 2013-2014 school year.

The School Board continues to make progress on its major capital expansion programs of its existing school facilities. This expansion program started in 1996 and continues today. The School Board will have spent in excess of \$469 million on this initiative and an additional \$80-million is planned for the next two years.

This expansion project has enabled the School Board to reduce the student/teacher ratio for all classrooms. The majority of pre-kindergarten through third grade classrooms have on average no more than 20 students per classroom.

Student/teacher ratios are just one piece of the puzzle when it comes to achieving higher levels of success through student achievement. The School Board has over time become a magnet for attracting highly skilled, experienced, certified teachers and administrators. Virtually all of the School Board's nearly 2,545 full-time teachers are certificated and more than forty-four percent of our teachers hold an advanced level degree. Sixty-three percent of our teachers have more than 10 years teaching experience and all of our principals and assistant principals hold both a masters degree and teacher certification.

The school system has experienced significant gains in student achievement levels by lowering the student/teacher ratios across the board, retaining more qualified teachers and administrators, and dedicating our staff to reach higher goals. St. Tammany Parish School Board was ranked number one in the State of Louisiana for District Performance Scores (DPS) from 2003-2005 and continues to be consistently in the top 4 in the state.

Currently, the Southern Association of Colleges and Schools (SACS) has accredited all schools within the St. Tammany Parish School District. The St. Tammany Parish school system became the first school district in Louisiana to earn "district-wide" accreditation in 2005 and continues to be one of only a few in the nation to have such accreditation. The school system received reaccreditation in 2010.

Not all of our successes can be attributed to our staff and teachers though. The School Board's Parent Involvement Program is utilized in every school in the system. The goal of this program is to involve parents in the child's education in whatever capacity the parents offer (first aid assistant, library aide, classroom tutor, parenting workshop, etc.). Each year, our parent volunteers donate the equivalent of millions of dollars in volunteer hours.

On May 4, 2013, the School Board asked voters to consider a \$135 million bond renewal package for construction, technology, and school safety; a rededication of existing property tax millage of 3.44 mills to allow these funds to be used for salaries and benefits; and a new 3 mill property tax millage to provide additional support for the school system. All three of these proposals were passed by the voters of St. Tammany Parish. The support provided to our school system by the voters of St. Tammany Parish is crucial to the success of this school system.

## **FINANCIAL INFORMATION**

**Internal Controls.** Management of the School Board is responsible for establishing and maintaining internal controls designed to ensure that the assets of the School Board are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

**Single Audit.** As a recipient of federal, state, and local financial assistance, the School Board also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

As a part of the School Board's single audit, tests are made to determine the adequacy of internal controls, including that portion related to federal programs, as well as to determine that the School Board has complied with applicable laws and regulations. The results of the School Board's single audit for the fiscal year ended June 30, 2014, provided no instances of material weaknesses in internal controls. The report for this year is located on pages 129 - 140.

**Budgeting Controls.** In addition, the School Board maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with the annual appropriated budgets, including all subsequent amendments, approved by the School Board. Activities of the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the function or project level within the individual funds. The School Board also maintains an encumbrance accounting system as one technique of accomplishing budgetary control throughout the year. Encumbered amounts in all funds lapse at year-end; however, encumbrances generally are reappropriated as part of the next year's budget. As demonstrated by the statements and schedules included in the financial section of this report, the School Board continues to meet its responsibility for sound financial management.

**Debt Administration.** At June 30, 2014, the School Board had a number of debt issues outstanding, totaling \$215.7 million. Not included in the School Board's long-term debt are \$109.8 million in defeased debt. The Notes to the Basic Financial Statements contain more detailed information on these bonds.

## **OTHER INFORMATION**

**Independent Audit.** State statutes require an annual audit by independent certified public accountants. The accounting and auditing firm of LaPorte, A Professional Accounting Corporation, performed the fiscal year 2014 audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act, as amended, and related OMB Circular A-133. The independent auditor's report on the financial statements is included in the financial section of this report. The independent auditor's reports related specifically to the Single Audit Act are included in the Single Audit Section which begins on 129.

**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the St. Tammany Parish School Board for its comprehensive annual financial report for the fiscal year ended June 30, 2013. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

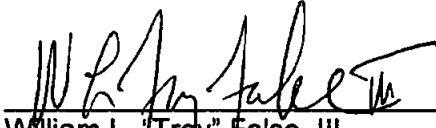
The St. Tammany Parish School Board was also awarded a Certificate of Excellence in Financial Reporting for its comprehensive annual financial report for the fiscal year ended June 30, 2013 by the Association of School Business Officials, International (ASBO). The award certifies that the school system has presented its comprehensive annual financial report to the ASBO Panel of Review for critical review and evaluation and that the report was judged to have complied with the principles and practices of financial reporting recognized by ASBO. Receiving the award is recognition that the school system has met the highest standards of excellence in school financial reporting.

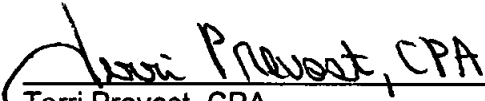
Both a Certificate of Achievement (GFOA) and a Certificate of Excellence (ASBO) are valid for a period of one year only. The St. Tammany Parish School Board has received both certificates for the last twenty-five consecutive years. We believe our current comprehensive annual financial report continues to conform to the program requirements of both organizations and we are submitting it to GFOA and ASBO to determine its eligibility for each of the certificates.

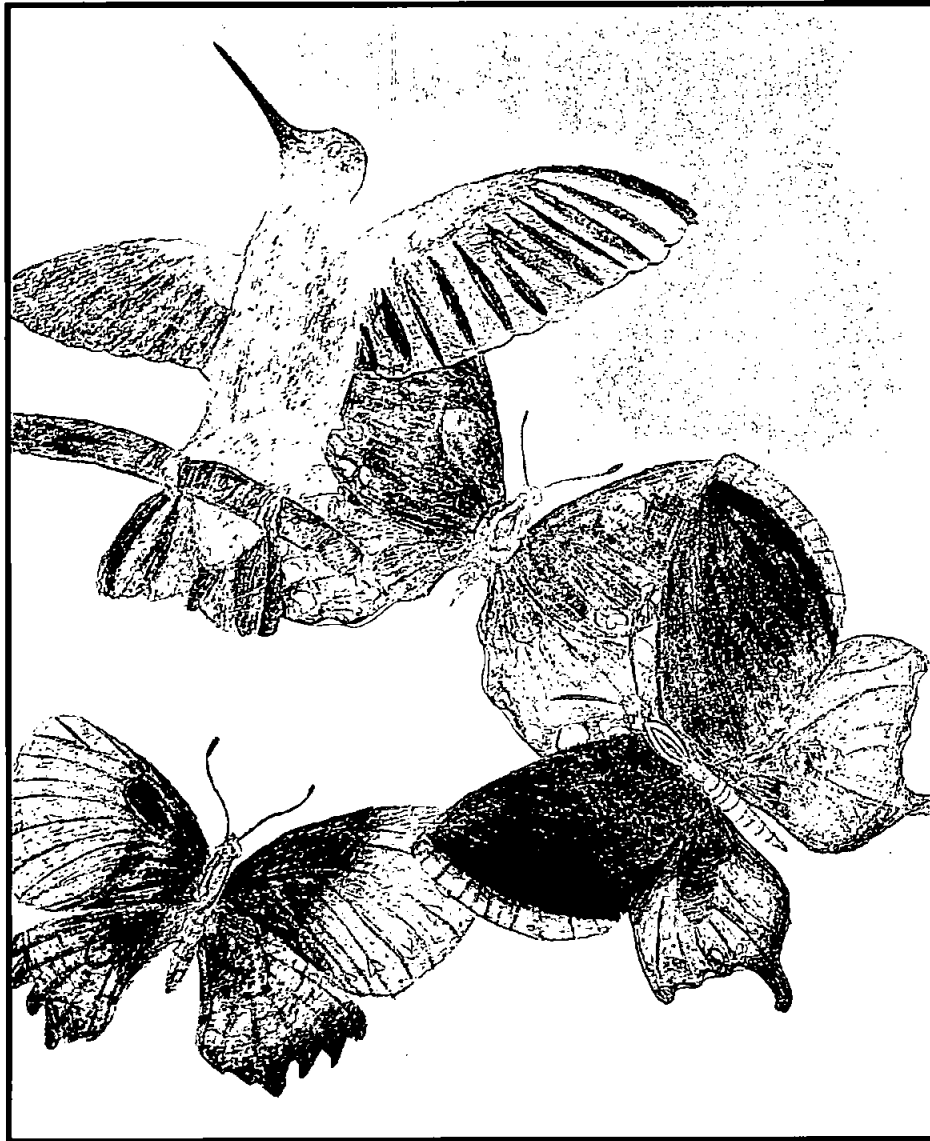
**Acknowledgements.** The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Business Affairs Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. In addition, our gratitude is extended to the Arts Department for their valuable assistance in the design of this report and to the students whose art is displayed throughout the report.

In closing, without the leadership and support of the Members of the School Board, both individually and collectively, preparation of this report would not have been possible.

Respectfully submitted,

  
\_\_\_\_\_  
William L. "Trey" Folse, III  
Superintendent

  
\_\_\_\_\_  
Terri Prevost, CPA  
Director of Business Affairs



**"Hummingbird and Butterflies"**

Kelsy Fife - Grade 6

LeighAnn McGraw - Teacher

Bonne Ecole Elementary



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**St. Tammany Parish School Board  
Louisiana**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO



# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

## **St. Tammany Parish School Board**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2013*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards

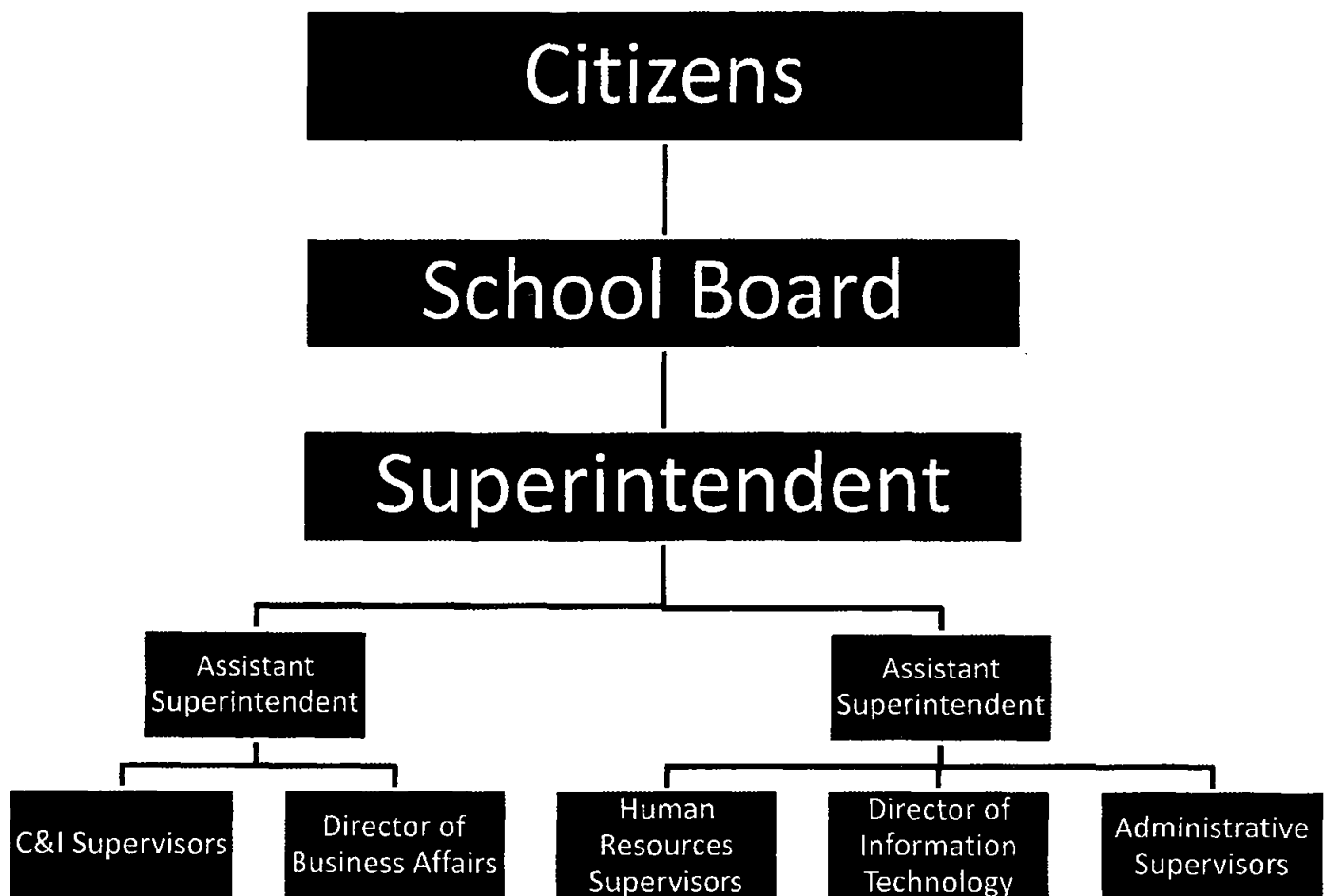


Terrie S. Simmons, RSBA, CSBO  
President

John D. Musso, CAE, RSBA  
Executive Director



**St. Tammany Parish Public School System**



# **St. Tammany Parish School Board**

## **Principal Officials**

### **School Board Members**

|   |                    |
|---|--------------------|
| <b>Elizabeth B. Heintz</b> - <i>President</i>         | <b>District 2</b>  |
| <b>Robert R. "Bob" Womack</b> - <i>Vice-President</i> | <b>District 11</b> |
| <b>Neal M. Hennegan</b>                               | <b>District 1</b>  |
| <b>Michael J. Dirmann</b>                             | <b>District 3</b>  |
| <b>Stephen J. "Jack" Loup, III</b>                    | <b>District 4</b>  |
| <b>Charles T. Harrell</b>                             | <b>District 5</b>  |
| <b>Roanne V. Tipton</b>                               | <b>District 6</b>  |
| <b>Willie B. Jeter</b>                                | <b>District 7</b>  |
| <b>Peggy H. Seeley</b>                                | <b>District 8</b>  |
| <b>Robin P. Mullett</b>                               | <b>District 9</b>  |
| <b>Ronald "Ron" L. Bettencourt</b>                    | <b>District 10</b> |
| <b>James "Ronnie" Panks, Sr.</b>                      | <b>District 12</b> |
| <b>John C. Lamarque</b>                               | <b>District 13</b> |
| <b>Ray A. Alfred</b>                                  | <b>District 14</b> |
| <b>Mary K. Bellisario</b>                             | <b>District 15</b> |

## **Administrative Officials**

**William "Trey" Folsie, III**, *Superintendent*  
**Cheryl Arabie**, *Assistant Superintendent*  
**Peter J. Jabbia**, *Assistant Superintendent*  
**Terri Prevost, CPA**, *Director of Business Affairs*  
**Louis Boullion**, *Director of Information Technology*



"Trees"

Caliegh Plauche - Grade 10

Sherrel Alack - Teacher

Fontainebleau High School

## **Independent Auditor's Report**

To the Members of the  
St. Tammany Parish School Board  
Covington, LA

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Tammany Parish School Board (the School Board) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents. The prior year comparative information presented for the School Board has been derived from the School Board's 2013 financial statements and, in our report dated December 2, 2013, we expressed an unmodified opinion on the respective financial statements of the School Board as of and for the year ended June 30, 2013.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

NEW ORLEANS HOUSTON BATON ROUGE COVINGTON

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The McGladrey Alliance is a premier affiliation of independent accounting and consulting firms. The McGladrey Alliance member firms maintain their name, autonomy and independence and are responsible for their own client fee arrangements, delivery of services and maintenance of client relationships.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of St. Tammany Parish School Board as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 to 14 and 59 to 62, respectively, and the Schedule of Funding Progress on page 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The combining and individual non-major fund financial statements, the budgetary comparison schedules for the major capital projects and debt service funds, the non-major special revenue and capital projects funds, and the fiduciary fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information referred to in the preceding paragraph is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, the budgetary comparison schedules for the major capital projects and debt service funds, the non-major special revenue and capital projects funds, and the fiduciary fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2014 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA  
December 3, 2014

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS (MD&A)**



**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Management's Discussion and Analysis**

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As management of the St. Tammany Parish School Board (the School Board), we offer readers of the St. Tammany Parish School Board's financial statements this narrative overview and analysis of the financial activities of the School Board for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v - x and the School Board's financial statements, which begin on page 15.

**FINANCIAL HIGHLIGHTS**

The financial highlights for the St. Tammany Parish School Board for fiscal year ended June 30, 2014, were:

- The School Board's General Fund expended \$374.5 million on a budgetary basis in fiscal year ended June 30, 2014 on education for St. Tammany Parish (the Parish). Over 75% of the expenditures were spent on instructional and support programs and 13% spent on administration and operation/maintenance of schools.
- The School Board's General Fund revenues on a budgetary basis for fiscal year ended June 30, 2014, were approximately \$387.3 million. The largest single sources of non-federal funds were from the State of Louisiana Minimum Foundation Program (\$203.6 million), ad valorem taxes (\$87.3 million), and sales and use taxes (\$85.2 million).
- The assets of the St. Tammany Parish School Board exceeded its liabilities at the close of the year by \$218.2 million, up from \$147.6 million in 2013.
- The St. Tammany Parish School Board's net position increased by \$70.6 million. The majority of this increase is due to the forgiveness of debt of \$78.8 million. There were increases in ad valorem taxes of \$3.8 million and an increase in sales and use taxes of \$2.4 million. Also, there was a \$5 million increase from the State of Louisiana through the HB 1 Appropriation. Some of these increases were offset by increases in state retirement contributions of \$5.9 million and an increase in the liability for postemployment benefits of \$13.3 million.
- The School Board's governmental funds reported combined ending fund balances of \$153.6 million, an increase of \$24 million in comparison to the prior year. Increases in property values in St. Tammany Parish increased revenue received from ad valorem taxes and revenues received per student increased in 2014. Sales taxes in the Parish also increased with the improvements in the economy. Mandated increases in the employer contributions to the state retirement systems accounted for an increase in program expenditures.
- The School Board expended approximately \$13.0 million on capital projects in 2013-2014. The majority of these expenditures were on construction of additional classrooms and renovations to existing schools and support facilities. Also, disaster recovery expenditures continued on existing facilities.
- The School Board's General Fund on a budgetary basis had an increase of \$11.3 million in fund balance.
- As of June 30, 2014, the School Board had \$208.8 million in bonds outstanding.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Management's Discussion and Analysis**

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**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the St. Tammany Parish School Board's basic financial statements. The St. Tammany Parish School Board's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 15 and 16, respectively); they provide information about the financial position of the School Board as a whole and present a longer-term view of the School Board's finances. Fund financial statements start on page 17. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the School Board's operations in more detail than the government-wide statements by providing information about the School Board's most significant funds. The fiduciary fund statements provide financial information about activities for which the School Board acts solely as a trustee or agent for the benefit of those outside of the government.

Our auditor has provided assurance in its independent auditor's report, located immediately preceding this Management's Discussion and Analysis (MD&A), that the basic financial statements are fairly stated. The auditor has also provided varying degrees of assurance regarding the required supplementary information and other supplementary information. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the financial statements.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 - 59 of this report.

**Other Information**

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 67 - 91 of this report.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Management's Discussion and Analysis**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Our analysis of the School Board as a whole begins on page 15. One of the most important questions asked about the School Board's finances is, "Is the School Board as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the School Board as a whole and about activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School Board's *net position* and changes in the net position. You can think of the School Board's net position (the difference between assets and liabilities) as one way to measure the School Board's financial health, or *financial position*. Over time, *increases or decreases* in the School Board's net position are indicators of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the School Board's property tax base and the condition of the schools, to assess the *overall financial health* of the School Board.

In 2013-2014, the School Board's financial position increased with its net position increasing \$70.6 million from \$147.6 million in 2012-2013 to \$218.2 in 2013-2014. \$56.3 million of the School Board's net position is restricted for debt service, construction, and food service, leaving a deficit of \$78.8 million in unrestricted net position.

In the Statement of Net Position and the Statement of Activities, the School Board can be divided into two kinds of activities:

**Governmental Activities** - Most of the School Board's basic services are reported here, including instruction, plant services, transportation, and food services. Property taxes, sales and use taxes, Minimum Foundation Program (MFP) funds, and state and federal grants finance most of these activities. In the internal service funds, the School Board charges fees to departments to help cover the costs of certain services it provides by being self insured. The School Board's general liability and workers' compensation programs are accounted for here.

**Business-Type Activities** - Business-type activities are those activities which are conducted by the School Board whereby the fees/charges for those services provided are intended to be sufficient to realize a profit. The School Board did not have any such activities.

Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the School Board's governmental activities.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Management's Discussion and Analysis**

**TABLE 1  
SUMMARY OF NET POSITION  
(in Thousands)**

|                                       | <b>Governmental<br/>Activities</b> |                   |
|---------------------------------------|------------------------------------|-------------------|
|                                       | <b>2014</b>                        | <b>2013</b>       |
| <b>Assets</b>                         |                                    |                   |
| Current and Other Assets              | \$ 186,337                         | \$ 168,686        |
| Capital Assets                        | 456,362                            | 468,604           |
| <b>Total Assets</b>                   | <b>642,699</b>                     | <b>637,290</b>    |
| <b>Deferred Outflows of Resources</b> | <b>278</b>                         | <b>-</b>          |
| <b>Liabilities</b>                    |                                    |                   |
| Current Liabilities                   | 61,428                             | 62,829            |
| Long-Term Liabilities                 | 363,335                            | 426,832           |
| <b>Total Liabilities</b>              | <b>424,763</b>                     | <b>489,661</b>    |
| <b>Net Position</b>                   |                                    |                   |
| Net Investment in Capital Assets      | 240,695                            | 255,219           |
| Restricted                            | 56,338                             | 42,036            |
| Unrestricted                          | (78,819)                           | (149,626)         |
| <b>Total Net Position</b>             | <b>\$ 218,214</b>                  | <b>\$ 147,629</b> |

By far the largest portion of the School Board's net position (110%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The School Board uses these capital assets to provide services to the public; consequently, these assets are not available for future spending. Although, the School Board's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net position (25.8%) represents resources to be used to pay the remaining amount of outstanding debt, restricted resources for construction projects, and restricted resources for food service programs. The remaining balance of unrestricted net position is a deficit balance of \$78.8 million.

At the end of June 30, 2014 and 2013, the School Board was not able to report positive balances in its unrestricted net position. Increases in the liability for postemployment benefits and increases in the employer contribution rates for the state retirement systems contributed to the deficit in unrestricted net position.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Management's Discussion and Analysis**

**TABLE 2  
SUMMARY OF CHANGES IN NET POSITION  
(in Thousands)**

|   | <b>Governmental<br/>Activities</b> |                   |
|---|------------------------------------|-------------------|
|   | <b>2014</b>                        | <b>2013</b>       |
| <b>Revenues</b>                                 |                                    |                   |
| Program Revenues:                               |                                    |                   |
| Charges for Services                            | \$ 4,303                           | \$ 4,246          |
| Operating Grants and Contributions              | 37,600                             | 38,714            |
| Capital Grants and Contributions                | 1,257                              | 5,628             |
| General Revenues:                               |                                    |                   |
| Ad Valorem (Property) Taxes                     | 117,445                            | 113,966           |
| Sales and Use Taxes                             | 85,229                             | 82,874            |
| Minimum Foundation Program                      | 209,165                            | 205,634           |
| Other General Revenues and Extraordinary Item   | 88,502                             | 6,447             |
| <b>Total Revenues</b>                           | <b>543,501</b>                     | <b>457,509</b>    |
| <b>Program Expenses</b>                         |                                    |                   |
| Regular Programs                                | 165,676                            | 163,422           |
| Special Education Programs                      | 79,867                             | 75,704            |
| Vocational Education Programs                   | 6,066                              | 6,426             |
| Other Instructional Programs                    | 10,745                             | 11,346            |
| Special Programs                                | 6,791                              | 11,831            |
| Pupil Support                                   | 27,723                             | 28,460            |
| Instructional Staff Support                     | 15,715                             | 16,783            |
| General Administration                          | 8,592                              | 8,859             |
| School Administration                           | 25,675                             | 25,920            |
| Business Administration                         | 2,534                              | 2,619             |
| Operation and Maintenance of Plant              | 44,874                             | 42,493            |
| Pupil Transportation                            | 36,273                             | 37,490            |
| Central Services                                | 6,618                              | 6,860             |
| Food Service                                    | 23,052                             | 23,840            |
| Community Services Programs                     | 1,397                              | 1,392             |
| Interest on Long-Term Debt                      | 8,093                              | 10,459            |
| <b>Total Expenses</b>                           | <b>469,691</b>                     | <b>473,904</b>    |
| <b>Change in Net Position</b>                   | <b>73,810</b>                      | <b>(16,395)</b>   |
| <b>Beginning Net Position</b>                   | <b>147,629</b>                     | <b>164,024</b>    |
| <b>Change in Accounting Principle - GASB 65</b> | <b>(3,225)</b>                     | <b>-</b>          |
| <b>Ending Net Position</b>                      | <b>\$ 218,214</b>                  | <b>\$ 147,629</b> |

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Management's Discussion and Analysis**

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The School Board's net position increased by \$70.6 million. The majority of this increase is due to the forgiveness of debt of \$78.8 million. There were increases in ad valorem taxes of \$3.8 million and an increase in sales and use taxes of \$2.4 million. Also, there was a \$5 million increase from the State of Louisiana through the HB 1 Appropriation. Some of these increases were offset by increases in state retirement contributions of \$5.9 million and an increase in the liability for postemployment benefits of \$13.2 million.

Revenues increased 18.8% or approximately \$85.9 million. The revenue increase was due to the forgiveness of debt and a result of increases in ad valorem taxes as property values increased and of sales tax increases as a result of improvement in the economy.

Student enrollment had an increase from 37,926 students in 2013 to 38,044 students in 2014. MFP funding increased as a result of this growth.

Expenses decreased 0.8% or approximately \$4.2 million in 2014. Salary and benefits costs account for nearly 90% of General Fund expenditures for the School Board. Cost cutting measures were implemented in all expense categories for 2014. Salaries and related benefits were reduced by approximately \$1 million through attrition.

**REPORTING THE SCHOOL BOARD'S MOST SIGNIFICANT FUNDS**

The School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements begin on page 17 and provide detailed information about the most significant funds - not the School Board as a whole. Some funds are required to be established by state law or by bond covenants. However, the School Board establishes other funds to help it control and manage financial resources for particular purposes or to demonstrate that it is meeting legal responsibilities for using certain taxes, grants, and other money.

The School Board's three types of funds - governmental, proprietary, and fiduciary funds - use different accounting approaches.

Governmental Funds - most of the School Board's basic services are reported in the governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations on pages 18 and 20.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Management's Discussion and Analysis**

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The School Board's governmental funds reported combined ending fund balances of \$153.6 million, an increase of \$24 million (see Statements C & E) in comparison with the prior year. The components of this increase are described below.

The General Fund balance was \$66.5 million which was an increase of \$11.3 million from 2013. General Fund expenditures, before transfers and other financing uses, for 2014 increased by 4.8%, or \$17.1 million.

General Fund revenue before transfers and other financing sources increased 4.6%, or \$17.0 million. Operating expenditures increased mainly due to the increase in salaries and related benefits. Revenues increased through the State's HB 1 Appropriation and as a result of increases in the Minimum Foundation Program grant for 2014. Also, ad valorem taxes increased as a result of increased property values and sales taxes increased as a result of improvements in the area's economy.

The Katrina Fund accounts for the revenue and expenditures relating to the recovery from Hurricane Katrina as well as the proceeds from the community disaster loan. Revenues from hurricane recovery grants decreased in 2014 by approximately \$.5 million, or 58.3%. Disaster related projects are nearing completion, resulting in the decreases. All disaster related construction for this fund was completed in fiscal year 2012.

The 2013 Construction Fund accounts for the expenditures of the \$135 million in general obligation bonds approved by voters to finance capital improvements for new construction and improvements to existing facilities.

The Debt Service Fund account was established to meet the requirements of bond ordinances, and is used to account for the accumulation of resources for and the payment of long-term debt principal, interest, and related costs. Revenues in this fund decreased by \$3.8 million, or 11.0%, over 2013. This decrease was caused by the 3 mill reduction in the debt service millage. Expenses in this fund decreased by \$2.4 million, or 7.7%. Decreases in expenditures were a result of a decrease in principal and interest payments in 2014.

**Proprietary Funds** - When the School Board charges for the services it provides - whether to outside sources or to other units of the School Board - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. The School Board maintains two internal service funds. An internal service fund accumulates and allocates costs internally among the School Board's various functions.

The School Board maintains separate internal service funds to account for the self-insured portion of its general liability and employee workers' compensation programs.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Management's Discussion and Analysis**

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Because the services provided in these funds benefit governmental rather than business-type functions, they have been included as governmental activities in the government-wide financial statements.

**Fiduciary Funds** - The School Board is trustee, or fiduciary, for its student activity funds that are under the control and administration of the School Board. All of the School Board's fiduciary activities are reported in the Comparative Statement of Fiduciary Assets and Liabilities on page 24. These funds are not available to the School Board to finance its operations and, therefore, are not included in the government-wide financial statements. The School Board is responsible for ensuring that the assets reported by these funds are used for their intended purposes.

**General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget can be briefly summarized as follows:

\$3.1 million increase in projected revenues as follows:

- \$2.7 million increase in ad valorem taxes.
- \$1.0 million decrease in Minimum Foundation Program.
- \$1.7 million increase in sales taxes.
- \$200,000 decrease in Medicaid revenues as a result of decreased participation in Medicaid reimbursement programs.
- \$100,000 decrease in miscellaneous revenues.

\$0.3 million decrease in projected expenditures as follows:

- \$0.3 million decrease in teachers' benefits and salaries.

Differences between the final amended budget and actual results can be briefly summarized as follows:

**Revenues** - \$.8 million positive variance with final budget as follows:

- \$1.6 million increase in sales taxes.
- \$.9 million increase in ad valorem taxes.
- \$1.6 million decrease in Medicaid.

**Expenditures** - \$.7.3 million positive variance with final budget as follows:

- \$1.5 million decrease in health insurance costs, over 2014.
- \$1 million decrease in salaries and benefits due to attrition in 2014.
- Operation and maintenance expenditures were lower than anticipated for the last months of the fiscal year.



**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Management's Discussion and Analysis**

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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2014, the School Board invested in a broad range of capital assets, including land, school facilities, and equipment totaling \$456.3 million. (See Table 3 below.) There was a net decrease in capital assets in 2014 of \$12.2 million. The School Board changed its capitalization policy effective July 1, 2008, from \$1,000 to \$5,000. This change was mandated by the Louisiana Department of Education. More detailed information of capital assets can be found in Note 5.

**TABLE 3  
CAPITAL ASSETS AT YEAR-END  
(Net of Depreciation, in Thousands)**

|                            | <b>Governmental<br/>Activities</b> |                   |
|----------------------------|------------------------------------|-------------------|
|                            | <b>2014</b>                        | <b>2013</b>       |
| Land                       | \$ 17,662                          | \$ 17,329         |
| Land Improvements          | 8,448                              | 7,941             |
| Buildings and Improvements | 417,781                            | 426,730           |
| Equipment                  | 2,784                              | 3,143             |
| Construction in Progress   | 9,687                              | 13,461            |
| <b>Total</b>               | <b>\$ 456,362</b>                  | <b>\$ 468,604</b> |

The construction projects for 2013-2014, were mainly for classroom additions and renovations throughout the Parish.

**Long-Term Debt**

As of June 30, 2014, the School Board had \$391.4 million in long-term debt outstanding, a decrease of \$50.1 million, or 11.3%, over the amount at June 30, 2013 - as shown in Table 4 on the following page.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Management's Discussion and Analysis**

**TABLE 4  
OUTSTANDING DEBT AT YEAR-END  
(in Thousands)**

|   | <b>Governmental<br/>Activities</b> |                   |
|---|------------------------------------|-------------------|
|   | <b>2014</b>                        | <b>2013</b>       |
| General Obligation Bonds (backed by the<br>School Board) plus Unamortized Premium | <b>\$ 212,000</b>                  | <b>\$ 209,385</b> |
| Qualified School Construction Bonds   | <b>3,667</b>                       | <b>4,000</b>      |
| Federal Disaster Loans  | <b>-</b>                           | <b>65,766</b>     |
| Other Postemployment Benefits   | <b>157,961</b>                     | <b>144,691</b>    |
| Compensated Absences  | <b>17,749</b>                      | <b>17,602</b>     |
| <b>Totals</b>   | <b>\$ 391,377</b>                  | <b>\$ 441,444</b> |

The School Board continued to pay down its outstanding debt issues. The School Board's bond rating in 2013-2014 was AA by *Standard & Poor's*. The State constitution limits the amount of general obligation debt that the School Board can issue to 35% of the assessed value of all taxable property within the school district. The School Board's outstanding general obligation debt of \$205.1 million is significantly below the current \$591.9 million limit. The decrease in outstanding debt is a result of a forgiveness of debt of \$65.7 million. Other postemployment retirement benefits increased by \$13.3 million.

The School Board initiated a risk management program for general liability, workers' compensation, and health insurance in prior years. The School Board purchases commercial insurance for claims in excess of coverage provided through its self-insurance funds. The School Board had \$13.9 million and \$15.1 million in claims and judgments outstanding for fiscal years ended June 30, 2014 and 2013, respectively. Other obligations include accrued vacation pay and sick leave. More detailed information about the School Board's long-term liabilities is presented in Notes 6, 7, and 8 to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The following are currently known St. Tammany Parish economic factors considered into the 2014-2015 fiscal year:

- Sales taxes rate of growth is projected to continue with modest growth. St. Tammany Parish remains one of the wealthiest parishes in the State of Louisiana and the effects from Hurricane Katrina have reached a minimal level.
- The School Board's student attendance is expected to continue to increase for the next couple of years. Enrollment as of October 1, 2014, was 38,193 for an increase of 149 students over October 1, 2013.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Management's Discussion and Analysis**

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- The retirement system contributions will increase effective July 1, 2014. The Teachers' Retirement System of Louisiana increased the employer contribution rate from 27.2% to 28.0%. The Louisiana School Employees' Retirement System increased the employer contribution rate from 32.3% to 33.0%. This proposed increase in employer contributions is expected to cost the School Board an additional \$2.3 million for 2015.
- The School Board's fiscal year 2015 budget for capital projects is expected to increase as the voters approved a new bond construction and technology referendum in May 2013. The referendum was for \$15 million in technology and \$125 million in capital projects for new classrooms and various school and building renovations.
- Projected ad valorem taxes for 2014-2015 indicate increases of approximately \$2.1 million due to increases in property values and due to a rededicated 3 mill levy that was approved by voters in May 2013.
- Employees were given pay increases for the 2014-2015 school year. Highly effective certificated employees as rated by the Compass system were given \$500 one-time stipends.

All of these factors were considered in preparing the St. Tammany Parish School Board's budget for the 2014-2015 fiscal year.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mrs. Terri Prevost, Director of Business Services at the St. Tammany Parish School Board, P.O. Box 940, Covington, LA 70434-0940, or by calling (985) 898-3217 during regular business hours, Monday through Friday, from 8:30 a.m. to 4:30 p.m., Central Standard Time.



"Squirrel in Crepe Myrtle"  
Matthew Cuccia - Grade 4  
Christina Grush - Teacher  
Lake Harbor Middle School

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**BASIC FINANCIAL STATEMENTS:**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Statement A**

**Statement of Net Position  
June 30, 2014**

|   | <b>Governmental<br/>Activities</b> |
|---|------------------------------------|
| <b>Assets</b>                                       |                                    |
| Cash and Cash Equivalents                           | \$ 81,955,937                      |
| Investments   | 950,000                            |
| Receivables   |                                    |
| Taxes:  |                                    |
| Ad Valorem  | 1,692,121                          |
| Sales and Use                                       | 14,703,155                         |
| Intergovernmental:                                  |                                    |
| Federal   | 3,020,405                          |
| State   | 386,453                            |
| Other Receivables                                   | 227,993                            |
| Prepays   | 980,028                            |
| Inventory   | 463,488                            |
| Restricted Cash and Cash Equivalents                | 81,957,544                         |
| Capital Assets not being Depreciated                |                                    |
| Land  | 17,661,662                         |
| Construction in Progress                            | 9,687,170                          |
| Capital Assets Net of Accumulated Depreciation      |                                    |
| Land Improvements                                   | 8,447,764                          |
| Buildings and Improvements                          | 417,781,636                        |
| Furniture and Equipment                             | 2,783,931                          |
| <b>Total Assets</b>                                 | <b>\$ 642,699,287</b>              |
| <b>Deferred Outflows of Resources</b>               |                                    |
| Deferred Charges on Bond Issuance Costs             | \$ 277,778                         |
| <b>Total Deferred Outflows of Resources</b>         | <b>\$ 277,778</b>                  |
| <b>Liabilities</b>                                  |                                    |
| Salaries and Wages Payable                          | \$ 14,302,282                      |
| Accounts Payable                                    | 2,157,933                          |
| Accrued Interest Payable                            | 2,581,783                          |
| Retainages Payable                                  | 320,659                            |
| Other Liabilities                                   | 101,363                            |
| Long-Term Liabilities                               |                                    |
| Due within One Year                                 |                                    |
| Bonds Payable                                       | 19,878,333                         |
| Compensated Absences                                | 13,586,633                         |
| Claims and Judgments                                | 8,498,799                          |
| Due in more than One Year                           |                                    |
| Bond Payable, Net of Unamortized Premium (Discount) | 195,788,406                        |
| Compensated Absences                                | 4,162,456                          |
| Claims and Judgments                                | 5,424,027                          |
| Other Postemployment Benefits                       | 157,960,602                        |
| <b>Total Liabilities</b>                            | <b>\$ 424,763,276</b>              |
| <b>Net Position</b>                                 |                                    |
| Net Investment in Capital Assets                    | \$ 240,695,424                     |
| Restricted for:                                     |                                    |
| Debt Service  | 22,508,737                         |
| Construction  | 32,171,396                         |
| Food Service  | 1,658,105                          |
| Unrestricted  | (78,819,873)                       |
| <b>Total Net Position</b>                           | <b>\$ 218,213,789</b>              |

The accompanying notes are an integral part of these financial statements.

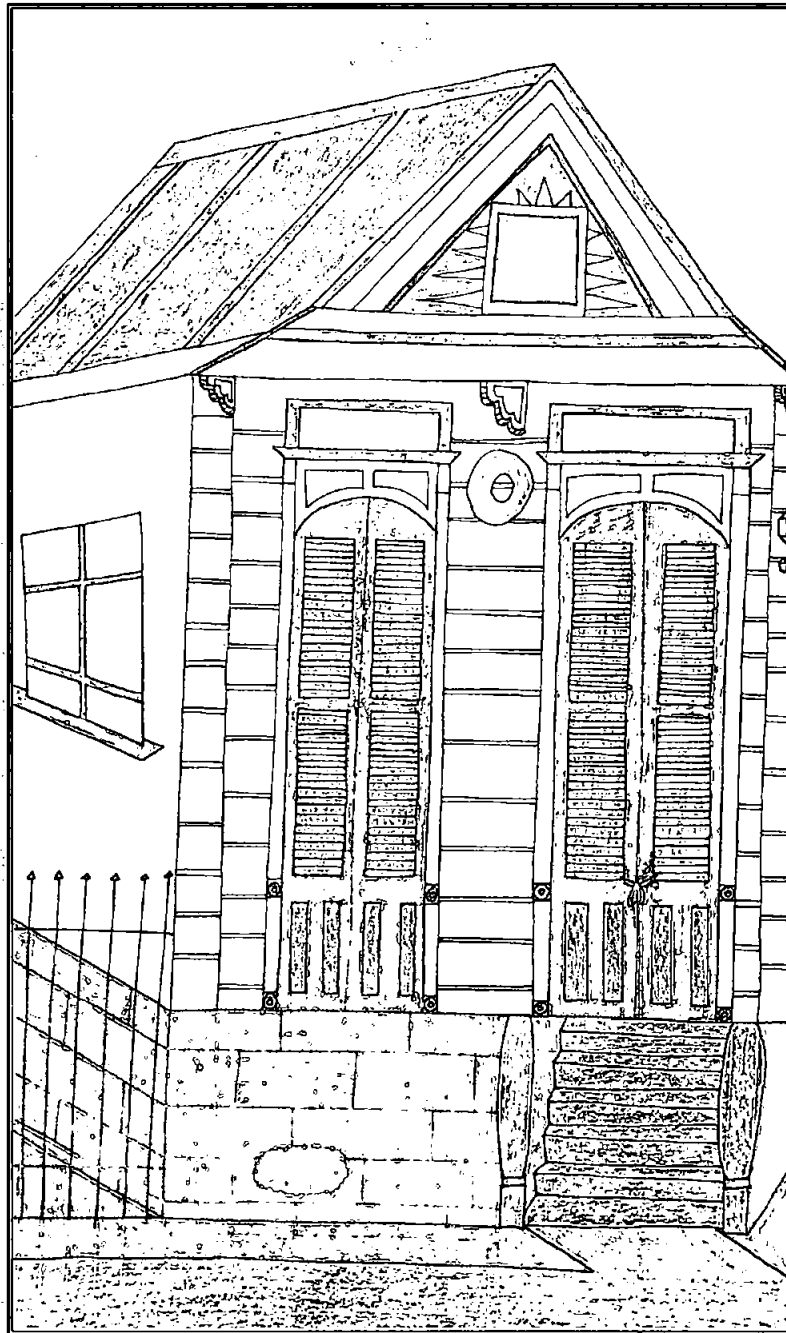
**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Statement B**

**Statement of Activities  
For the Year Ended June 30, 2014**

|  | Expenses              | Charges<br>for Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Net (Expense)<br>Revenue and<br>Changes in<br>Net Position |
|--|-----------------------|-------------------------|--|--|--|
| <b>Functions/Programs</b>                        |                       |                         |  |  |  |
| Instruction:                                     |                       |                         |  |  |  |
| Regular Programs                                 | \$ 165,675,465        | \$ 466,075              | \$ 4,077,673                             | \$ -                                   | \$ (161,131,717)   |
| Special Education Programs                       | 79,867,083            | -                       | 8,270,515                                | -                                      | (71,596,568)   |
| Vocational Educational Programs                  | 6,065,754             | -                       | 217,681                                  | -                                      | (5,848,073)  |
| Other Instructional Programs                     | 10,745,430            | -                       | 1,300,402                                | -                                      | (9,445,028)  |
| Special Programs                                 | 6,790,559             | -                       | 4,575,246                                | -                                      | (2,215,313)  |
| Support Services:                                |                       |                         |  |  |  |
| Pupil Support                                    | 27,723,376            | -                       | 3,002,995                                | -                                      | (24,720,381)   |
| Instructional Staff Support                      | 15,715,236            | -                       | 4,671,230                                | -                                      | (11,044,006)   |
| General Administration                           | 8,592,184             | -                       | 5,066                                    | -                                      | (8,587,118)  |
| School Administration                            | 25,675,300            | -                       | 7,581                                    | -                                      | (25,667,719)   |
| Business Administration                          | 2,534,170             | -                       | -  | -                                      | (2,534,170)  |
| Operation and Maintenance of Plant               | 44,874,378            | -                       | 11,349                                   | 1,256,886                              | (43,606,143)   |
| Pupil Transportation                             | 36,272,937            | -                       | 82,208                                   | -                                      | (36,190,729)   |
| Central Services                                 | 6,617,615             | -                       | 60,022                                   | -                                      | (6,557,593)  |
| Food Services                                    | 23,051,521            | 2,749,909               | 11,134,260                               | -                                      | (9,167,352)  |
| Community Service Programs                       | 1,396,823             | 1,087,508               | 183,808                                  | -                                      | (125,507)  |
| Interest on Long-Term Debt                       | 8,093,108             | -                       | -  | -                                      | (8,093,108)  |
| <b>Total Governmental Activities</b>             | <b>\$ 469,690,939</b> | <b>\$ 4,303,492</b>     | <b>\$ 37,600,036</b>                     | <b>\$ 1,256,886</b>                    | <b>(426,530,525)</b>                                       |
| <b>Unrestricted General Revenues (Expenses):</b> |                       |                         |  |  |  |
| Taxes:   |                       |                         |  |  |  |
| Ad Valorem (Property) Taxes                      |                       |                         |  |  | 117,444,823  |
| Sales and Use Taxes                              |                       |                         |  |  | 85,228,553   |
| State Revenue Sharing                            |                       |                         |  |  | 1,991,297  |
| Grants and Contributions not Restricted to       |                       |                         |  |  |  |
| Specific Programs - Minimum Foundation Program   |                       |                         |  |  | 209,165,185  |
| HB 1 Appropriation                               |                       |                         |  |  | 4,957,585  |
| Interest and Investment Earnings                 |                       |                         |  |  | 1,023,396  |
| Miscellaneous                                    |                       |                         |  |  | 1,738,505  |
| Extraordinary Item - Forgiveness of Debt         |                       |                         |  |  | 78,790,583   |
| <b>Total General Revenues</b>                    |                       |                         |  |  | <b>500,339,927</b>   |
| <b>Change in Net Position</b>                    |                       |                         |  |  | <b>73,809,402</b>  |
| <b>Net Position, Beginning</b>                   |                       |                         |  |  | <b>147,629,485</b>   |
| <b>Change in Accounting Principle - GASB 65</b>  |                       |                         |  |  | <b>(3,225,098)</b>   |
| <b>Net Position, Beginning (Restated)</b>        |                       |                         |  |  | <b>144,404,387</b>   |
| <b>Net Position, Ending</b>                      |                       |                         |  |  | <b>\$ 218,213,789</b>                                      |

The accompanying notes are an integral part of these financial statements.



"Hidden Memories"  
Kayli Safar - Grade 11  
Shelley Hickman - Teacher  
Covington High School



**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**BASIC FINANCIAL STATEMENTS:  
FUND FINANCIAL STATEMENTS (FFS)**

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Statement C**

**Governmental Funds - Balance Sheet  
June 30, 2014  
With Comparative Totals for June 30, 2013**

|  | Katrina Special      |                      | 2013                 |                      | Non-Major Fund Types | Totals                |                       |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
|  | General              | Revenue Fund         | Construction Fund    | Debt Service         | Other Governmental   | 2014                  | 2013                  |
| <b>Assets</b>                              |                      |                      |                      |                      |                      |                       |                       |
| Cash and Cash Equivalents                  | \$ 61,590,793        | \$ -                 | \$ -                 | \$ -                 | \$ 9,289,602         | \$ 70,880,395         | \$ 58,858,226         |
| Receivables:                               |                      |                      |                      |                      |                      |                       |                       |
| Taxes:                                     |                      |                      |                      |                      |                      |                       |                       |
| Ad Valorem                                 | 1,236,471            | -                    | -                    | 439,726              | -                    | 1,676,197             | 2,036,674             |
| Sales and Use                              | 14,703,155           | -                    | -                    | -                    | -                    | 14,703,155            | 14,313,521            |
| Intergovernmental:                         |                      |                      |                      |                      |                      |                       |                       |
| Federal                                    | 77,210               | 127,432              | -                    | -                    | 2,815,763            | 3,020,405             | 5,403,383             |
| State                                      | 31,679               | -                    | -                    | -                    | 354,774              | 386,453               | 279,091               |
| Other                                      | 185,703              | -                    | -                    | -                    | 4,040                | 189,743               | 203,065               |
| Prepays                                    | 742,574              | -                    | 237,454              | -                    | -                    | 980,028               | 103,463               |
| Due from Other Funds                       | 6,434,154            | -                    | -                    | -                    | -                    | 6,434,154             | 11,063,532            |
| Inventory                                  | -                    | -                    | -                    | -                    | 463,488              | 463,488               | 443,305               |
| Restricted Cash and Investments            | -                    | 26,318,035           | 33,570,498           | 22,069,011           | -                    | 81,957,544            | 69,434,255            |
| <b>Total Assets</b>                        | <b>\$ 85,001,739</b> | <b>\$ 26,445,467</b> | <b>\$ 33,807,952</b> | <b>\$ 22,508,737</b> | <b>\$ 12,927,667</b> | <b>\$ 180,691,562</b> | <b>\$ 162,138,515</b> |
| <b>Liabilities and Fund Balances</b>       |                      |                      |                      |                      |                      |                       |                       |
| <b>Liabilities</b>                         |                      |                      |                      |                      |                      |                       |                       |
| Salaries and Wages Payable                 | \$ 14,275,934        | \$ -                 | \$ -                 | \$ -                 | \$ 26,348            | \$ 14,302,282         | \$ 14,190,839         |
| Accounts Payable                           | 336,648              | -                    | 1,227,451            | -                    | 477,672              | 2,041,771             | 2,612,378             |
| Contracts and Retainage Payable            | -                    | -                    | 171,651              | -                    | 149,008              | 320,659               | 302,830               |
| Due to Other Funds                         | -                    | -                    | -                    | -                    | 6,434,154            | 6,434,154             | 11,063,532            |
| Other Liabilities                          | 12,250               | -                    | -                    | -                    | 89,113               | 101,363               | 7,465                 |
| Claims Liabilities                         | 3,823,475            | -                    | -                    | -                    | -                    | 3,823,475             | 4,278,648             |
| Unearned Revenue                           | -                    | -                    | -                    | -                    | -                    | -                     | 97,525                |
| <b>Total Liabilities</b>                   | <b>18,448,307</b>    | <b>-</b>             | <b>1,399,102</b>     | <b>-</b>             | <b>7,176,295</b>     | <b>27,023,704</b>     | <b>32,553,217</b>     |
| <b>Fund Equity</b>                         |                      |                      |                      |                      |                      |                       |                       |
| Non-spendable:                             |                      |                      |                      |                      |                      |                       |                       |
| Inventory                                  | -                    | -                    | -                    | -                    | 463,488              | 463,488               | 443,305               |
| Prepays                                    | 742,574              | -                    | 237,454              | -                    | -                    | 980,028               | 103,463               |
| Restricted for:                            |                      |                      |                      |                      |                      |                       |                       |
| Construction                               | -                    | -                    | 32,171,396           | -                    | -                    | 32,171,396            | 20,965,389            |
| Debt Service                               | -                    | -                    | -                    | 22,508,737           | -                    | 22,508,737            | 19,638,976            |
| Operational Purposes                       | -                    | 26,445,467           | -                    | -                    | -                    | 26,445,467            | 26,049,556            |
| Food Service                               | -                    | -                    | -                    | -                    | 1,658,105            | 1,658,105             | 1,431,518             |
| Committed for:                             |                      |                      |                      |                      |                      |                       |                       |
| Bond Rating                                | 20,854,282           | -                    | -                    | -                    | -                    | 20,854,282            | 20,854,282            |
| Special Programs                           | -                    | -                    | -                    | -                    | 915,770              | 915,770               | 783,673               |
| Assigned for:                              |                      |                      |                      |                      |                      |                       |                       |
| Construction                               | -                    | -                    | -                    | -                    | 2,714,009            | 2,714,009             | 5,063,922             |
| Local Priorities                           | 44,956,576           | -                    | -                    | -                    | -                    | 44,956,576            | 34,251,214            |
| Unassigned                                 | -                    | -                    | -                    | -                    | -                    | -                     | -                     |
| <b>Total Fund Balances</b>                 | <b>66,553,432</b>    | <b>26,445,467</b>    | <b>32,408,850</b>    | <b>22,508,737</b>    | <b>5,751,372</b>     | <b>153,667,858</b>    | <b>129,585,298</b>    |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 85,001,739</b> | <b>\$ 26,445,467</b> | <b>\$ 33,807,952</b> | <b>\$ 22,508,737</b> | <b>\$ 12,927,667</b> | <b>\$ 180,691,562</b> | <b>\$ 162,138,515</b> |

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Statement D**

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
As of June 30, 2014**

|   |                |                       |
|---|----------------|-----------------------|
| For the Year Ended June 30, 2014  |                | \$ 153,667,858        |
| <p>The cost of capital assets (land, buildings, furniture, and equipment) purchased or constructed is reported as expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the School Board as a whole. The costs of those assets are allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.</p> |                |                       |
| Cost of Capital Assets  | \$ 777,747,927 |                       |
| Accumulated Depreciation  | (321,385,764)  | 456,362,163           |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.  |                | 277,778               |
| Elimination of interfund assets and liabilities   |                |                       |
| Interfund Assets  | (6,434,154)    |                       |
| Interfund Liabilities   | 6,434,154      | -                     |
| Change in revenue accruals - Under the modified accrual basis of accounting, revenues are not recognized unless they are deemed "available" to finance the expenditures of the current period. Accrual basis recognition is not limited to availability, so certain revenues need to be reduced by the amounts that were unavailable at the beginning of the year and increased by the amounts that were unavailable at the end of the year. This adjustment records a net increase in revenues.  |                | 15,924                |
| Net position of the internal service fund reported as proprietary fund type in the fund financial statement but included as governmental activities in the government-wide financial statement less interfund balances eliminated in the consolidation into the governmental activities.  |                |                       |
| Total Net Position  | 1,848,279      |                       |
| Interfund Balances  | -              | 1,848,279             |
| Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Position.  |                |                       |
| Balances at June 30, 2014 are:  |                |                       |
| Accrued Interest Payable  | (2,581,783)    |                       |
| Bonds Payable   | (208,836,667)  |                       |
| Unamortized Bond Premium  | (7,090,319)    |                       |
| Unamortized Bond Discount   | 260,247        |                       |
| Other Postemployment Benefits   | (157,960,602)  |                       |
| Compensated Absences  | (17,749,089)   | (393,958,213)         |
| <b>Net Position - Governmental Activities</b>   |                | <b>\$ 218,213,789</b> |

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Statement E**

**Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2014  
With Comparative Totals for the Year Ended June 30, 2013**

|  | Non-Major Fund Types |                              |                        |                      |                     | Totals                |                       |
|--|----------------------|------------------------------|------------------------|----------------------|---------------------|-----------------------|-----------------------|
|  | General              | Katrina Special Revenue Fund | 2013 Construction Fund | Debt Service         | Other Governmental  | 2014                  | 2013                  |
| <b>Revenues</b>  |                      |                              |                        |                      |                     |                       |                       |
| <b>Local Sources:</b>                                    |                      |                              |                        |                      |                     |                       |                       |
| <b>Taxes:</b>  |                      |                              |                        |                      |                     |                       |                       |
| Ad Valorem   | \$ 87,270,138        | \$ -                         | \$ -                   | \$ 30,347,690        | \$ -                | \$ 117,617,828        | \$ 113,777,048        |
| Sales and Use  | 85,228,553           | -                            | -                      | -                    | -                   | 85,228,553            | 82,874,124            |
| Tuition  | 1,553,583            | -                            | -                      | -                    | -                   | 1,553,583             | 1,489,613             |
| Earnings on Investments                                  | 396,157              | 192,460                      | 112,618                | 154,556              | 167,605             | 1,023,396             | 823,703               |
| Food Service   | -                    | -                            | -                      | -                    | 2,749,909           | 2,749,909             | 2,755,899             |
| Other  | 1,491,608            | -                            | -                      | -                    | 1,493,664           | 2,985,272             | 4,189,300             |
| <b>State Sources:</b>                                    |                      |                              |                        |                      |                     |                       |                       |
| Minimum Foundation Program                               | 203,600,728          | -                            | -                      | -                    | 5,564,457           | 209,165,185           | 205,634,315           |
| HB 1 Appropriation                                       | 4,957,585            | -                            | -                      | -                    | -                   | 4,957,585             | -                     |
| Contributions to Teachers' Retirement                    | 40,792               | -                            | -                      | -                    | -                   | 40,792                | 46,594                |
| Revenue Sharing  | 1,991,297            | -                            | -                      | -                    | -                   | 1,991,297             | 1,917,347             |
| Professional Improvement Program                         | 135,943              | -                            | -                      | -                    | -                   | 135,943               | 176,606               |
| Other  | 192,715              | -                            | -                      | -                    | 3,672,773           | 3,865,488             | 2,068,473             |
| Federal Sources  | 469,932              | 203,451                      | -                      | -                    | 32,894,549          | 33,567,932            | 41,567,867            |
| <b>Total Revenues</b>                                    | <b>387,329,031</b>   | <b>395,911</b>               | <b>112,618</b>         | <b>30,502,246</b>    | <b>46,542,957</b>   | <b>484,882,763</b>    | <b>457,320,889</b>    |
| <b>Expenditures</b>                                      |                      |                              |                        |                      |                     |                       |                       |
| <b>Current:</b>  |                      |                              |                        |                      |                     |                       |                       |
| <b>Instruction:</b>                                      |                      |                              |                        |                      |                     |                       |                       |
| Regular Education Programs                               | 150,227,695          | -                            | -                      | -                    | 1,884,719           | 152,112,414           | 146,164,152           |
| Special Education Programs                               | 65,058,237           | -                            | -                      | -                    | 8,270,515           | 73,328,752            | 67,709,473            |
| Vocational Education Programs                            | 5,351,500            | -                            | -                      | -                    | 217,681             | 5,569,181             | 5,747,502             |
| Other Instructional Programs                             | 9,035,284            | -                            | -                      | -                    | 830,470             | 9,865,754             | 10,147,400            |
| Special Programs   | 1,659,403            | -                            | -                      | -                    | 4,575,246           | 6,234,649             | 10,581,712            |
| <b>Support Services:</b>                                 |                      |                              |                        |                      |                     |                       |                       |
| Pupil Support  | 22,450,802           | -                            | -                      | -                    | 3,002,995           | 25,453,797            | 25,454,155            |
| Instructional Staff Support                              | 9,757,477            | -                            | -                      | -                    | 4,671,230           | 14,428,707            | 15,010,261            |
| General Administration                                   | 6,915,707            | -                            | -                      | 968,010              | 5,066               | 7,888,783             | 7,923,386             |
| School Administration                                    | 23,565,806           | -                            | -                      | -                    | 7,581               | 23,573,387            | 23,182,618            |
| Business Administration                                  | 2,326,710            | -                            | -                      | -                    | -                   | 2,326,710             | 2,342,771             |
| Operation and Maintenance of Plant                       | 36,574,084           | -                            | 3,820,972              | -                    | 805,673             | 41,200,729            | 38,005,186            |
| Pupil Transportation                                     | 33,221,239           | -                            | -                      | -                    | 82,208              | 33,303,447            | 33,530,869            |
| Central Services   | 6,015,842            | -                            | -                      | -                    | 60,022              | 6,075,864             | 6,135,477             |
| Food Service   | 22,740               | -                            | -                      | -                    | 21,141,666          | 21,164,406            | 21,322,800            |
| Community Service Programs                               | 1,282,471            | -                            | -                      | -                    | -                   | 1,282,471             | 1,244,554             |
| Facilities Acquisition and Construction                  | 597,756              | -                            | 2,807,354              | -                    | 6,448,672           | 9,853,782             | 13,264,829            |
| <b>Debt Service:</b>                                     |                      |                              |                        |                      |                     |                       |                       |
| Legal Fees   | 14,135               | -                            | -                      | -                    | -                   | 14,135                | -                     |
| Bond Issuance Costs                                      | -                    | -                            | 69,427                 | 6,839                | -                   | 76,266                | 5,857                 |
| Principal Retirement                                     | 333,333              | -                            | -                      | 18,960,000           | -                   | 19,293,333            | 21,183,334            |
| Interest and Bond Charges                                | 56,000               | -                            | -                      | 8,647,435            | -                   | 8,703,435             | 9,022,154             |
| <b>Total Expenditures</b>                                | <b>374,466,221</b>   | <b>-</b>                     | <b>6,697,753</b>       | <b>28,582,284</b>    | <b>52,003,744</b>   | <b>461,750,002</b>    | <b>457,978,490</b>    |
| <b>Excess (Deficiency) of Revenues Over Expenditures</b> | <b>12,862,810</b>    | <b>395,911</b>               | <b>(6,585,135)</b>     | <b>1,919,962</b>     | <b>(5,460,787)</b>  | <b>3,132,761</b>      | <b>(657,601)</b>      |
| <b>Other Financing Sources (Uses)</b>                    |                      |                              |                        |                      |                     |                       |                       |
| Transfers In   | 1,239,663            | -                            | 18,993,985             | -                    | 2,842,876           | 23,076,524            | 6,671,301             |
| Transfers Out  | (2,758,000)          | -                            | -                      | -                    | (20,318,524)        | (23,076,524)          | (6,671,301)           |
| Premium Received on Bonds Issued                         | -                    | -                            | -                      | 2,494,903            | -                   | 2,494,903             | 2,407,392             |
| Bonds Issued   | -                    | -                            | 20,000,000             | -                    | -                   | 20,000,000            | 18,030,000            |
| Refunding Bonds Issued                                   | -                    | -                            | -                      | 12,090,000           | -                   | 12,090,000            | -                     |
| Discount on Bonds Issued                                 | -                    | -                            | -                      | (72,540)             | -                   | (72,540)              | (108,180)             |
| Payment to Refunded Bonds Escrow Agent                   | -                    | -                            | -                      | (13,562,564)         | -                   | (13,562,564)          | (20,389,649)          |
| <b>Total Other Financing Sources (Uses)</b>              | <b>(1,518,337)</b>   | <b>-</b>                     | <b>38,993,985</b>      | <b>949,799</b>       | <b>(17,475,648)</b> | <b>20,949,799</b>     | <b>(60,437)</b>       |
| <b>Net Changes in Fund Balances</b>                      | <b>11,344,473</b>    | <b>395,911</b>               | <b>32,408,850</b>      | <b>2,869,761</b>     | <b>(22,936,435)</b> | <b>24,082,560</b>     | <b>(718,038)</b>      |
| <b>Fund Balances, Beginning of Year</b>                  | <b>55,208,959</b>    | <b>26,049,556</b>            | <b>-</b>               | <b>19,638,976</b>    | <b>28,687,807</b>   | <b>129,585,298</b>    | <b>130,303,336</b>    |
| <b>Fund Balances, End of Year</b>                        | <b>\$ 66,553,432</b> | <b>\$ 26,445,467</b>         | <b>\$ 32,408,850</b>   | <b>\$ 22,508,737</b> | <b>\$ 5,751,372</b> | <b>\$ 153,667,858</b> | <b>\$ 129,585,298</b> |

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Statement F**

**Reconciliation of the Governmental Funds Statement of  
Revenues, Expenditures, and Changes in Fund Balances to the  
Statement of Activities  
For the Year Ended June 30, 2014**

|   |               |
|---|---------------|
| Total Net Changes in Fund Balances - Governmental Funds | \$ 24,082,560 |
|---|---------------|

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays.

|                      |                     |              |
|----------------------|---------------------|--------------|
| Capital Outlays      | \$ 11,693,974       |              |
| Depreciation Expense | <u>(23,936,288)</u> | (12,242,314) |

New debt/bond issues provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which the bonds issued exceeded repayments.

|   |                |             |
|---|----------------|-------------|
| Bonded Debt Repayments                    | 31,793,333     |             |
| Bond Proceeds (Including Refunding Bonds) | (32,090,000)   |             |
| Bond Premium                              | (2,040,103)    |             |
| Bond Discount                             | 55,416         |             |
| Bond Issuance Costs                       | 79,754         |             |
| Accrued Interest                          | <u>188,122</u> | (2,013,478) |

|   |           |
|---|-----------|
| Revenues for sales tax, ad valorem taxes, and federal funds in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. | (173,005) |
|---|-----------|

|  |           |
|--|-----------|
| In the Statement of Activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). | (146,665) |
|--|-----------|

|   |              |
|---|--------------|
| In the Statement of Activities, postemployment benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). | (13,269,594) |
|---|--------------|

|   |            |
|---|------------|
| In the Statement of Activities, loan forgiven by the federal government is reported as a federal revenue. In the governmental funds, this revenue is not reported as it does not provide current financial resources. | 78,790,583 |
|---|------------|

|   |                    |
|---|--------------------|
| All revenues, expenses, and changes in net position (deficits) of the internal service fund are reported as proprietary fund type in the fund financial statements but included as governmental activities in the government-wide financial statements. | <u>(1,218,685)</u> |
|---|--------------------|

|   |                      |
|---|----------------------|
| Change in Net Position of Governmental Activities | <u>\$ 73,809,402</u> |
|---|----------------------|

The accompanying notes are an integral part of these financial statements.



"Holiday Jay"  
Madeline Snyder - Grade 11  
Sherrel Alack - Teacher  
Fontainebleau High School

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Statement G**

**Proprietary Fund Type - Internal Service Fund  
Statement of Net Position  
June 30, 2014 and 2013**

|   | 2014                 | 2013                 |
|---|----------------------|----------------------|
| <b>Current Assets</b>                     |                      |                      |
| Cash and Cash Equivalents                 | \$ 11,075,541        | \$ 12,980,644        |
| Investments                               | 950,000              | 950,000              |
| Accounts Receivable                       | 38,250               | 68,387               |
| <b>Total Assets</b>                       | <b>\$ 12,063,791</b> | <b>\$ 13,999,031</b> |
| <b>Liabilities and Net Position</b>       |                      |                      |
| <b>Current Liabilities</b>                |                      |                      |
| Accounts Payable                          | \$ 116,161           | \$ 111,195           |
| Benefit Claims Payable                    | 4,133,369            | 3,741,827            |
| Claims Liability                          | 541,955              | 1,010,286            |
| <b>Total Current Liabilities</b>          | <b>4,791,485</b>     | <b>4,863,308</b>     |
| <b>Long-Term Liabilities</b>              |                      |                      |
| Benefit Claims Payable                    | 4,349,901            | 4,984,832            |
| Claims Liability                          | 1,074,126            | 1,083,927            |
| <b>Total Long-Term Liabilities</b>        | <b>5,424,027</b>     | <b>6,068,759</b>     |
| <b>Total Liabilities</b>                  | <b>10,215,512</b>    | <b>10,932,067</b>    |
| <b>Net Position</b>                       |                      |                      |
| Restricted for Employee Benefits          | 1,009,805            | 2,121,050            |
| Unrestricted                              | 838,474              | 945,914              |
| <b>Total Net Position</b>                 | <b>1,848,279</b>     | <b>3,066,964</b>     |
| <b>Total Liabilities and Net Position</b> | <b>\$ 12,063,791</b> | <b>\$ 13,999,031</b> |

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Statement H**

**Proprietary Fund Type - Internal Service Fund  
Statement of Revenues, Expenses, and  
Changes in Net Position  
For the Years Ended June 30, 2014 and 2013**

|  | 2014                | 2013                |
|--|---------------------|---------------------|
| <b>Operating Revenues</b>                              |                     |                     |
| Employer/Employee Contributions                        | \$ 5,645,153        | \$ 9,682,026        |
| Decrease in Incurred but not Reported<br>(IBNR) Claims | 721,521             | -                   |
| <b>Total Operating Revenues</b>                        | <b>6,366,674</b>    | <b>9,682,026</b>    |
| <b>Operating Expenses</b>                              |                     |                     |
| Administrative   | 178,674             | 173,293             |
| Contractual Services                                   | 411,407             | 543,212             |
| Premium Payments                                       | 1,596,681           | 2,042,651           |
| Benefit Payments                                       | 4,667,286           | 6,159,134           |
| Claims   | 806,464             | 396,468             |
| Increase in Incurred but not Reported<br>(IBNR) Claims | -                   | 895,099             |
| <b>Total Operating Expenses</b>                        | <b>7,660,512</b>    | <b>10,209,857</b>   |
| <b>Operating (Loss) Income</b>                         | <b>(1,293,838)</b>  | <b>(527,831)</b>    |
| <b>Non-Operating Revenue</b>                           |                     |                     |
| Earnings on Investments                                | 75,153              | 72,131              |
| <b>Total Non-Operating Revenue</b>                     | <b>75,153</b>       | <b>72,131</b>       |
| <b>Changes in Net Position</b>                         | <b>(1,218,685)</b>  | <b>(455,700)</b>    |
| <b>Total Net Position, Beginning of Year</b>           | <b>3,066,964</b>    | <b>3,522,664</b>    |
| <b>Total Net Position, End of Year</b>                 | <b>\$ 1,848,279</b> | <b>\$ 3,066,964</b> |

The accompanying notes are an integral part of these financial statements.



**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Statement I**

**Proprietary Fund Type - Internal Service Fund  
Statement of Cash Flows  
For the Years Ended June 30, 2014 and 2013**

|   | 2014                  | 2013                 |
|---|-----------------------|----------------------|
| <b>Cash Flows from Operating Activities</b>                                       |                       |                      |
| Receipts from Employer and Employee Contributions                                 | \$ 5,675,290          | \$ 17,178,868        |
| Payments for Benefits and Claims  | (5,473,750)           | (15,449,119)         |
| Payments for Insurance Premiums   | (1,596,681)           | (2,042,651)          |
| Payments for Administrative and Contractual Services                              | (585,115)             | (658,781)            |
| <b>Net Cash Used in Operating Activities</b>                                      | <b>(1,980,256)</b>    | <b>(971,683)</b>     |
| <b>Cash Flows from Investing Activities</b>                                       |                       |                      |
| Earnings on Investments   | 75,153                | 72,131               |
| <b>Net Cash Provided by Investing Activities</b>                                  | <b>75,153</b>         | <b>72,131</b>        |
| <b>Net Decrease in Cash and Cash Equivalents</b>                                  | <b>(1,905,103)</b>    | <b>(899,552)</b>     |
| <b>Cash and Cash Equivalents, Beginning of Year</b>                               | <b>12,980,644</b>     | <b>13,880,196</b>    |
| <b>Cash and Cash Equivalents, End of Year</b>                                     | <b>\$ 11,075,541</b>  | <b>\$ 12,980,644</b> |
| <b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>  |                       |                      |
| Operating Loss  | \$ (1,293,838)        | \$ (527,831)         |
| Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities: |                       |                      |
| Decrease to Incurred but not Reported (IBNR) Claims                               | (721,521)             | (8,491,129)          |
| Decrease in Receivables   | 30,137                | 7,496,842            |
| Decrease in Prepaids  | -                     | 552,812              |
| Increase (Decrease) in Payables   | 4,966                 | (2,377)              |
| <b>Total Adjustments</b>  | <b>(686,418)</b>      | <b>(443,852)</b>     |
| <b>Net Cash Used in Operating Activities</b>                                      | <b>\$ (1,980,256)</b> | <b>\$ (971,683)</b>  |

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Statement J**

**Fiduciary/Agency Fund  
Comparative Statement of Fiduciary Assets and Liabilities -  
School Activity Fund  
June 30, 2014 and 2013**

|                           | 2014                | 2013                |
|---------------------------|---------------------|---------------------|
| <b>Assets</b>             |                     |                     |
| Cash and Cash Equivalents | \$ 6,385,874        | \$ 5,899,671        |
| Investments               | 418,266             | 641,049             |
| <b>Total Assets</b>       | <b>\$ 6,804,140</b> | <b>\$ 6,540,720</b> |
| <b>Liabilities</b>        |                     |                     |
| Accounts Payable          | \$ 128,992          | \$ 70,417           |
| Due to Schools            | 6,675,148           | 6,470,303           |
| <b>Total Liabilities</b>  | <b>\$ 6,804,140</b> | <b>\$ 6,540,720</b> |

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

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**Note 1. Summary of Significant Accounting Policies**

- A. Financial Reporting Entity
- B. Basis of Presentation - Fund Accounting
- C. Basis of Accounting - Measurement Focus
- D. Budget Practices
- E. Encumbrances
- F. Cash, Cash Equivalents, and Investments
- G. Receivables
- H. Short-Term Interfund Receivables/Payables
- I. Inventory
- J. Restricted Assets
- K. Capital Assets
- L. Long-Term Obligations
- M. Compensated Absences
- N. Sales and Use Taxes
- O. Net Position - Government-Wide Financial Statements
- P. Fund Equity - Fund Financial Statements
- Q. Claims and Judgments
- R. Comparative Data and Total Columns on Statements

**Note 2. Ad Valorem Taxes**

**Note 3. Cash, Cash Equivalents, and Investments**

**Note 4. Interfund Receivables, Payables, and Transfers**

**Note 5. Capital Assets**

**Note 6. Risk Management**

**Note 7. Changes in Long-Term Obligations**

**Note 8. Defeased Debt**

**Note 9. Tax Arbitrage Rebate**

**Note 10. Retirement Plans**

**Note 11. Changes in Agency Deposits Due Others**

**Note 12. Litigation and Claims**

**Note 13. Excess of Expenditures Over Appropriations**

**Note 14. Hurricane Katrina**

**Note 15. Concentration of Revenue**

**Note 16. Operating Leases**

**Note 17. Fund Equity**

**Note 18. GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions***

**Note 19. Impact of Recently Issued Accounting Pronouncements**

**Note 20. Subsequent Events**

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

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**Note 1. Summary of Significant Accounting Policies**

The accompanying financial statements of the St. Tammany Parish School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. Financial Reporting Entity**

The St. Tammany Parish School Board (the School Board) was created by Louisiana Revised Statute (LRS) 17:51 for the purpose of providing public education for the children within St. Tammany Parish, Louisiana (the Parish). The School Board is authorized by LRS 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is authorized to establish public schools as it deems necessary, to provide adequate school facilities for the children of the Parish, to determine the number of teachers to be employed, and to determine local supplement to their salaries. The School Board is comprised of 15 members who are elected from 15 districts for concurrent terms of four years expiring December 31, 2014.

The School Board operates 55 schools within the Parish with a total enrollment of 38,044 students. In conjunction with the regular educational programs, some of these schools offer special education programs. Additionally, the School Board provides transportation and school food services for the students.

For financial reporting purposes, the School Board includes all funds and activities for which the School Board exercises financial accountability. The School Board members are elected by the public, have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. Certain units of local government, over which the School Board exercises no financial accountability, such as the Parish Council, other independently elected parish officials, and municipalities within the Parish, are excluded from the financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the School Board. The School Board is not a component unit of any other entity and does not have any component units that require inclusion in the financial statements.

**B. Basis of Presentation - Fund Accounting**

**Government-Wide Financial Statements (GWFS)**

The Statement of Net Position and the Statement of Activities display information about the School Board as a whole. Fiduciary funds are not included in GWFS. Fiduciary funds are reported only in the Comparative Statement of Fiduciary Assets and Liabilities at the fund financial statement level. For the most part, the effect of interfund activity has been removed from these statements.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**B. Basis of Presentation - Fund Accounting (Continued)**

**Internal Activities**

The workers' compensation and risk management funds provide services to the governmental funds. Accordingly, these funds were included in the governmental activities. Pursuant to GASB 34, the internal activities have been eliminated in order to avoid the "grossing-up" effect of a straight inclusion. Interfund services provided and used are not eliminated in the process of consolidation.

**Program Revenues**

Program revenues include: 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from food sales and tuition. Operating grants and contributions consist of the many educational grants received from the federal and state governments.

**Allocation of Indirect Expenses**

The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identifiable by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. Other indirect expenses, including compensated absences and GASB 45 adjustments, are allocated.

**Fund Financial Statements (FFS)**

Fund financial statements report detailed information about the School Board. The focus of the governmental and enterprise fund financial statements is on the major funds rather than reporting funds by type. Each major fund is presented in a separate column. The major funds reported by the School Board for the year ended June 30, 2014, are as follows:

- General Fund - accounts for the day-to-day operations of the School Board.
- Katrina Special Revenue Fund - accounts for the FEMA revenue and expenditures relating to the recovery from Katrina. Revenue sources include earnings on investments and FEMA disaster recovery grants.
- 2013 Construction Fund - accounts for the expenditures of the \$135 million in general obligation bonds approved by the voters to finance capital improvements for new construction and improvements to existing facilities.
- Debt Service Fund - established to meet requirements of bond ordinances and is used to account for the accumulation of resources for and the payment of long-term debt principal, interest, and related costs.

Non-major funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary funds statements.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**B. Basis of Presentation - Fund Accounting (Continued)**

**Special Revenue Funds**

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal, state, and local grant and entitlement programs and special district funds established for various educational objectives.

**Capital Projects Funds**

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds). Separate capital projects funds are maintained to account for the proceeds of general obligation bonds and other financing proceeds.

**Proprietary Funds**

Proprietary Funds are used to account for the School Board's ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income. The School Board's proprietary fund type is limited to Internal Service Funds.

Internal Service Funds are used to account for the accumulation of resources for and the payment of benefits by the School Board's self-insurance programs. The School Board maintains the following self-insurance funds:

- **Workers' Compensation Fund** - accounts for the payment of workers' compensation benefits.
- **Risk Management Fund** - accounts for general liability, which is fully insured for fiscal year ended June 30, 2014, with a deductible of \$250,000 per occurrence, and property damage, which is insured at the fiscal year ended June 30, 2014, with a deductible of \$500,000 per occurrence or \$5,000,000 for a "named storm".

Fund revenues are derived from government allocations. These revenues are planned to match: (1) expenses of insurance premiums in excess of self-insurance amounts, (2) estimated claim losses resulting from self-insurance programs which include estimated liabilities for claims incurred but not yet reported at year end, and (3) operating expenses. Non-operating income includes interest income.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**B. Basis of Presentation - Fund Accounting (Continued)**

**Fiduciary Funds**

Fiduciary Funds are used to account for assets held by the School Board in a trustee capacity or as an agent on behalf of other funds within the School Board. The School Board maintains one fiduciary fund type, an agency fund. The agency fund is the School Activity Fund. The School Activity Fund accounts for assets held by the School Board as an agent for the individual schools and school organizations.

**C. Basis of Accounting - Measurement Focus**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes (ad valorem) are recognized as revenue in the year they are levied and grant revenues are recognized as soon as all eligibility requirements are met. Revenues not earned are reported as unearned revenue.

The governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School Board considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The operating revenue of the proprietary funds is employer contributions and insurance premiums. The operating expenses for the proprietary funds include the cost of insurance premiums, claims, and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**C. Basis of Accounting - Measurement Focus (Continued)**

The following practices in recording revenues and expenditures have been used for the governmental funds:

**Revenues**

Federal and state entitlements, which include state equalization and state revenue sharing, are recorded as unrestricted grants-in-aid when available and measurable. For this purpose, the School Board considers all revenues to be available if they are collected within sixty days of the end of the current fiscal period. Federal and state grants which are restricted as to the purpose of the expenditures are recorded when the reimbursable expenditures have been made. Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, based on the assessed value on January 1st, become due on November 15th of each year, and become delinquent on December 31st. An enforceable lien attaches to the property as of November 15th. The taxes were levied by the School Board on May 16, 2013. However, before the taxes can be collected, the tax rolls must be submitted to the State Tax Commission for approval. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year end to the extent that they have been collected and are unremitted by the St. Tammany Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations. Interest income on time deposits and revenues from rentals, leases, and royalties are recorded when earned. Sales and use tax revenues are recorded in the month in which the School Board considers them available to finance current year obligations and are collected by the St. Tammany Parish Tax Collector. Substantially all other revenues are recorded when received.

**Expenditures**

Salaries are recorded as expenditures when incurred. Nine-month employee salaries are incurred over a nine-month period but paid over a twelve-month period generally, except in cases where the employee opted to be paid over nine months. Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of earned leave privileges not requiring current resources is recorded as a liability on the government-wide financial statements. Commitments under construction contracts are recognized as expenditures when earned by the contractor. Principal and interest on general long-term obligations are not recognized until due. All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.



**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**C. Basis of Accounting - Measurement Focus (Continued)**

**Unearned Revenue**

Unearned revenue arises when resources are received before the School Board has a legal claim to them, such as when grant monies are received prior to the incurrence of qualifying expenditures, when tuition is received in advance of the commencement of classes, taxes paid in protest, or when there is an inventory of donated food commodities at year end. In subsequent periods, when the School Board has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

**Prepays**

Prepaid expenditures are recorded in the year that the expenditure is accrued using the consumption method.

**D. Budget Practices**

The proposed budgets for fiscal year 2013-2014 were completed and made available for public inspection at the School Board office on August 1, 2013. A public hearing was held on August 22, 2013 for suggestions and comments from taxpayers. The proposed fiscal year 2013-2014 budgets were formally adopted by the School Board on September 12, 2013, and final amendment was adopted on September 11, 2014. The budgets, which included proposed expenditures and the means of financing them, for the General, Special Revenue, Debt Service, and Capital Projects Funds, were published in the official journal ten days prior to the public hearings. The budget and amendments are reported on the major funds in the Budgetary Comparison Schedules in the Other Required Supplementary Information Section of this report.

The budgets for all funds for the fiscal year 2014 were prepared on a modified accrual basis, consistent with generally accepted accounting principles (GAAP).

Formal budgetary accounts are integrated into the accounting system during the year as a management control device, including the recording of encumbrances. Appropriations are valid only for the year in which they are made, and any part of such appropriation which is not encumbered or expensed lapses at the end of the year. Current year transactions which are directly related to the prior year's budget are not included in the budget for the current year.

The Superintendent is authorized to transfer budget amounts between individual budget lines in a fund; however, any supplemental appropriations that amend the total expenditures of any fund require School Board approval.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**D. Budget Practices (Continued)**

As required by state law, when actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments.

Because the budgets are prepared on a modified accrual basis, no differences in budget basis and GAAP basis occurs. Additional information on the original and final budgets can be found in the Budgetary Comparison Schedules in the Other Required Supplementary Information Section of this report.

**E. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded, is employed by all funds during the year as a budgetary tool. Encumbrances outstanding at year-end are liquidated.

**F. Cash, Cash Equivalents, and Investments**

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less at date of acquisition are considered to be cash equivalents in the Internal Service Funds. Investments are stated at cost, which approximates fair value, and is the same as the value of the investment pool shares.

**G. Receivables**

Intergovernmental receivables consist of receivables for reimbursement of expenditures under various state and federal programs and grants. All amounts are expected to be collected within the next twelve months.

Other receivables include all trade and other receivables considered to be receivable within one year. No allowance for uncollectible accounts has been established as all receivables are considered collectable.

**H. Short-Term Interfund Receivables/Payables**

During the normal course of operations, numerous transactions occur between funds for goods provided or services rendered. Activities between the funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds" (i.e., the current portion) or "advances to/from other funds" (i.e., the non-current portion). These receivables and payables, as well as short-term interfund loans, are classified as due from other funds or due to other funds. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**I. Inventory**

Inventory of the School Food Service Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Education. The commodities are recorded as revenues and expenditures when consumed. The purchased food is recorded as expenditures when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements. All inventory items purchased are valued at cost (first-in, first-out), and donated commodities are assigned values based on information provided by the United States Department of Agriculture.

**J. Restricted Assets**

Restricted assets represent cash held in separate bank accounts that is restricted according to applicable bond and loan indenture agreements or as required by Louisiana Revised Statutes for Debt Service Funds.

**K. Capital Assets**

Purchases of land, land improvements, buildings and improvements, and furniture and equipment are recorded as expenditures in the governmental funds. In the government-wide financial statements, capital assets are recorded at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are valued at their estimated market value on the date of donation. Approximately 95% of capital assets are valued at historical cost, while the remaining 5% are valued at estimated cost, based on the historical cost of like items. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized over the remaining useful lives of the assets.

In the government-wide financial statements, capital assets are depreciated over their estimated useful lives (excluding any applicable salvage value). Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

| <b>Assets</b>                      | <b>Years</b> |
|------------------------------------|--------------|
| Land                               | -            |
| Land Improvements                  | 20           |
| <i>Buildings and Improvements:</i> |              |
| Fixed Buildings and Improvements   | 30           |
| Temporary Buildings (Portables)    | 20           |
| <i>Furniture and Equipment:</i>    |              |
| Heavy Equipment                    | 10           |
| Office Equipment                   | 5 - 10       |
| Furniture and Fixtures             | 5            |

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**L. Long-Term Obligations**

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, if material, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, with the exception of prepaid insurance, are recognized as expenditures when the liability is incurred.

**M. Compensated Absences**

All 12-month non-school administrative employees earn from 10 to 20 days of vacation leave each year, depending on length of service with the School Board. A maximum of five days of vacation leave may be carried forward to the next calendar year. Upon termination, earned vacation leave is paid to the employee at the employee's current rate of pay.

All School Board employees earn from 10 to 13 days of sick leave each year, depending upon the number of months employed. Sick leave can be accumulated without limitation. Upon retirement, a maximum of 25 days of unused sick leave is paid to the employee at the employee's current rate of pay, and all unused sick leave is used in the retirement benefit computation as earned service.

Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service.

Leave may be granted for medical purposes and professional and cultural improvement. All employees are eligible for extended sick leave of up to ninety days in each six year period of employment which may be used for personal illness or illness of an immediate family member providing that the employee has no remaining regular sick leave balance. The employee on extended sick leave is paid sixty-five percent of their salary at the time the extended sick leave begins.

The cost of compensated absence privileges (unused sick leave) is recognized as current year expenditures in the General Fund when leave is actually taken or when employees are paid for accrued leave upon retirement or death. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

At June 30, 2014, employees of the School Board have accumulated and vested \$17,749,089 of compensated absence benefits in salary and salary-related payments.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**N. Sales and Use Taxes**

On June 25, 1966, the voters of St. Tammany Parish approved a one percent sales and use tax which, after payment of necessary costs and expenses of collecting the tax, is dedicated for payments of salaries of teachers and other school personnel and for other operating expenses. This was a permanent tax. On September 18, 1976, the voters of St. Tammany Parish approved an additional one percent sales tax to be levied on behalf of the St. Tammany Parish School Board for a period of 15 years. The proceeds are dedicated for the purposes of capital improvements, maintenance, and operating expenses of the School Board. In April 2004, the voters of the Parish designated this additional sales tax as permanent. The sales and use taxes are collected by the St. Tammany Parish Tax Collector for a percentage of the monthly collections.

**O. Net Position - Government-Wide Financial Statements**

In the government-wide and proprietary fund statements, equity is classified as net position and displayed in three components.

- Net Investment in Capital Assets - consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation.
- Restricted - consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted - consists of all other amounts included in net position.

When both restricted and unrestricted resources are available for use, it is the School Board's policy to use restricted resources first, then unrestricted resources as they are needed.

**P. Fund Equity - Fund Financial Statements**

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

- Non-spendable Fund Balance - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted Fund Balance - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- Committed Fund Balance - amounts that can be used only for specific purposes determined by a formal action of the School Board members. The Board is the highest level of decision-making authority for the School Board. Commitments may be established, modified, or rescinded only through resolutions approved by Board members.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**P. Fund Equity - Fund Financial Statements (Continued)**

- **Assigned Fund Balance** - amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under the School Board's adopted policy, only Board members may assign amounts for specific purposes.
- **Unassigned Fund Balance** - all other spendable amounts. A negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School Board considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School Board considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board members have provided otherwise in their commitment or assignment actions. In the General Fund, the School Board maintains a committed fund balance in the amount of \$20,854,282 to maintain "AA" bond rating and for financial stability.

**Q. Claims and Judgments**

The School Board provides for losses and anticipated expenses resulting from claims and judgments including claim adjustment expenses, salvage, and subrogation. Losses resulting from claims and judgments are estimated by utilizing a case by case review of all claims in accordance with Governmental Accounting Standards Board Codification Section C50. The liability for such losses is recorded in the Internal Service Funds. Incurred but not reported claims as of June 30, 2014, have been considered in determining the accrued liability.

**R. Comparative Data and Total Columns on Statements**

Comparative total data for the prior year has been presented in the basic financial statements in order to provide an understanding of changes in the School Board's financial position and operations of these funds. However, comparative data (i.e., presentation of prior year total by fund type) has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. In the fund financial statements, interfund eliminations have not been made in the aggregation of this data, and there are certain reconciling items which are further explained in Statements D and F.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

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**Note 2. Ad Valorem Taxes**

The following is a summary of authorized and levied parish wide ad valorem taxes for the fiscal year ended June 30, 2014:

|   | <b>Mills</b> | <b>Fiscal Year of<br/>Expiration</b> |
|---|--------------|--------------------------------------|
| Constitutional                            | 3.78         | N/A                                  |
| Additional Support                        | 7.81         | 2023                                 |
| Construction, Maintenance, and Operations | 3.42         | 2023                                 |
| Improve, Maintain, and Operating          | 35.27        | 2023                                 |
| Bond and Interest - District No. 12       | 17.90        | N/A                                  |
| <b>Total Millage</b>                      | <b>68.18</b> |                                      |

**Note 3. Cash, Cash Equivalents, and Investments**

**Deposits**

For reporting purposes, cash and cash equivalents includes savings, demand deposits, time deposits, and certificates of deposit. Deposits in bank accounts are stated at cost, which approximates market. Further, the School Board may invest in time certificates of deposit in state banks organized under the laws of Louisiana, national banks having their principal office in the State of Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state chartered credit unions. Cash balances of all funds are combined. Interest earned on deposits is distributed to the individual funds based on the invested balances of the participating funds during the year. Interest is recorded when earned.

Under state law, the bank balances of these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These pledged securities must be held in the name of the School Board or the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the state treasury.

At June 30, 2014, the School Board's carrying value of its deposits, excluding fiduciary cash balances and including restricted cash and cash equivalents, was \$163,913,481 and the bank balance was \$170,178,504. Of the bank balance, \$170,178,504 was covered by federal depository insurance or secured by bank owned securities specifically pledged to the School Board and held in joint custody by an independent custodian bank or trust department. Custodial risk is the risk that in the event of bank failure, the School Board's deposits may not be returned to it. At June 30, 2014, none of the School Board's deposits were exposed to custodial credit risk as uninsured deposits collateralized with securities held by a pledging bank's trust department, but not in the School Board's name.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

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**Note 3. Cash, Cash Equivalents, and Investments (Continued)**

**Deposits (Continued)**

Restricted cash and cash equivalents are reported on the Statement of Net Position and Governmental Funds - Balance Sheet in the amount of \$81,957,544 for the year ended June 30, 2014. These restricted assets represent certain proceeds of bonds and loans including debt service funds of the School Board, and their use is limited by applicable bond/loan covenants and Louisiana Revised Statutes.

In addition, at year-end, the individual schools held cash, cash equivalents, and investments of \$6,804,140 in various accounts. The balances of these accounts are collateralized with either FDIC insurance and/or pledged securities in the School Board's name. Because these accounts are not assets of the School Board but are agency funds, the balances are not reflected in the fund financial statements or the government-wide financial statements, but are reported in the Comparative Statement of Fiduciary Assets and Liabilities.

**Investments**

Cash balances of the School Board's funds are pooled and invested to the extent possible in authorized investments. Interest earned on invested cash is distributed to the various funds on the basis of actual invested cash balances of the participating funds during the year.

Under state law, the School Board may invest in United States bonds, treasury notes and bills, or certificates and time deposits of state banks organized under Louisiana law, and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a non-profit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool rated "AAA". Investments are stated at cost, which approximates fair value, and is the same as the value of the pool shares. Investments of \$950,000 in certificates of deposits were held in the proprietary funds at June 30, 2014.

At year end, the School Board's investment balances were as follows:

|                          | <b>Maturities in Years</b> |                    |                    | <b>Reported<br/>Amount/Fair<br/>Value</b> |
|--------------------------|----------------------------|--------------------|--------------------|---|
|                          | <b>Less than One</b>       | <b>One to Five</b> | <b>Five to Ten</b> |   |
| Certificates of Deposits | \$ 950,000                 | \$ -               | \$ -               | \$ 950,000                                |



**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

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**Note 3. Cash, Cash Equivalents, and Investments (Continued)**

**Investments (Continued)**

*Interest Rate Risk.* Interest rate risk is the risk applicable to debt instruments with fair values that are sensitive to changes in interest rates. One indicator of the measurement of interest rate risk is the dispersion of maturity dates of debt instruments. The above table shows the School Board's investments and maturities in actively managed accounts at June 30, 2014. The School Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Custodial Credit Risk.* The School Board has no investments that are exposed to custodial credit risk.

*Credit Risk.* State law limits investments to the following:

1. Direct United States Treasury obligations
2. Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America
3. Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by U.S. government instrumentalities, which are federally sponsored
4. Direct security repurchase agreements of any federal book entry only securities
5. Time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, savings accounts or shares of savings and loan associations and savings banks
6. Mutual or trust fund institutions which are registered with the SEC and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies
7. Guaranteed investment contracts issued by a bank, financial or insurance company, or other entity having one of the highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service
8. Investment grade commercial paper of domestic United States corporations
9. LAMP

The School Board's investment policy complies with state law and does not further limit its investment choices.

*Concentration of Credit Risk.* The School Board places no limit on the amount the School Board may invest in any one issuer. All School Board investments are certificates of deposit.

The School Board's investments are valued at cost, which closely approximates the fair value (less than 1% difference).

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

**Note 4. Interfund Receivables, Payables, and Transfers**

As of June 30, 2014, individual balances due to/due from other funds are as follows:

| <b>Receivable Fund</b> | <b>Payable Fund</b>    | <b>Amount</b>       |
|------------------------|------------------------|---------------------|
| General                | Non-Major Governmental | <u>\$ 6,434,154</u> |

The School Board's lending/borrowing activities referred to as "due to/due from" are further explained in the Summary of Significant Accounting Policies (Note 1(H)).

The General Fund loaned money to various funds for the payment of expenditures prior to receipt of funds from federal, state, and local sources through reimbursement. Federal loans and grants in the Katrina Fund were transferred to offset costs associated with the recovery from the Hurricane Katrina disaster. All other interfund lending was for normal operating activities.

For the year ended June 30, 2014, individual transfers were as follows:

|                        | <b>Transfer In</b>  |                               |                                   | <b>Total</b>         |
|------------------------|---------------------|-------------------------------|-----------------------------------|----------------------|
|                        | <b>General*</b>     | <b>2013<br/>Construction*</b> | <b>Non-Major<br/>Governmental</b> |                      |
| <b>Transfer Out</b>    |                     |                               |                                   |                      |
| General*               | \$ -                | \$ -                          | \$ 2,758,000                      | \$ 2,758,000         |
| Non-Major Governmental | 1,239,663           | 18,993,985                    | 84,876                            | 20,318,524           |
|                        | <u>\$ 1,239,663</u> | <u>\$ 18,993,985</u>          | <u>\$ 2,842,876</u>               | <u>\$ 23,076,524</u> |

\* Indicates major fund.

The School Board transfers funds between funds as part of the normal operating of fund activity throughout the year to account for payment of expenditures and receipt of revenues. The General Fund transfers MFP monies to the School Food Service Fund and general revenues to the Capital Projects Funds and to various other funds throughout the year as the budget prescribes. All other transfers were for other normal operating activities.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

**Note 5. Capital Assets**

A summary of changes in capital assets is as follows:

| <b>Governmental Activities:</b>                        | <b>Balance<br/>June 30, 2013</b> | <b>Additions</b>    | <b>Deletions</b>     | <b>Balance<br/>June 30, 2014</b> |
|--|----------------------------------|---------------------|----------------------|----------------------------------|
| <b>Non-Depreciable Assets:</b>                         |                                  |                     |                      |                                  |
| Land   | \$ 17,329,025                    | \$ 332,637          | \$ -                 | \$ 17,661,662                    |
| Construction in Progress                               | 13,460,899                       | 10,154,408          | 13,928,137           | 9,687,170                        |
| <b>Depreciable Assets:</b>                             |                                  |                     |                      |                                  |
| Land Improvements                                      | 13,099,697                       | 1,065,965           | -                    | 14,165,662                       |
| Buildings and Improvements                             | 699,645,757                      | 13,042,565          | -                    | 712,688,322                      |
| Furniture and Equipment                                | 23,080,016                       | 1,030,866           | 565,771              | 23,545,111                       |
| <b>Total</b>   | <b>766,615,394</b>               | <b>25,626,441</b>   | <b>14,493,908</b>    | <b>777,747,927</b>               |
| <b>Less Accumulated Depreciation:</b>                  |                                  |                     |                      |                                  |
| Land Improvements                                      | 5,158,180                        | 559,718             | -                    | 5,717,898                        |
| Buildings and Improvements                             | 272,916,184                      | 21,990,502          | -                    | 294,906,686                      |
| Furniture and Equipment                                | 19,936,553                       | 1,386,068           | 561,441              | 20,761,180                       |
| <b>Total Accumulated Depreciation</b>                  | <b>298,010,917</b>               | <b>23,936,288</b>   | <b>561,441</b>       | <b>321,385,764</b>               |
| <b>Governmental Activities<br/>Capital Assets, Net</b> | <b>\$ 468,604,477</b>            | <b>\$ 1,690,153</b> | <b>\$ 13,932,467</b> | <b>\$ 456,362,163</b>            |

Depreciation expense was charged to governmental activities as follows:

|  |                      |
|--|----------------------|
| Regular Programs                         | \$ 8,591,149         |
| Special Education Programs               | 4,141,531            |
| Vocational Educational Programs          | 314,541              |
| Other Instructional and Special Programs | 557,207              |
| Special Programs                         | 352,126              |
| Pupil Support                            | 1,437,604            |
| Instructional Staff Support              | 814,918              |
| General Administration                   | 445,550              |
| School Administration                    | 1,331,400            |
| Business Administration                  | 131,410              |
| Operation and Maintenance of Plant       | 2,326,974            |
| Pupil Transportation                     | 1,880,944            |
| Central Services                         | 343,158              |
| Food Services                            | 1,195,343            |
| Community Service Programs               | 72,433               |
| <b>Total</b>                             | <b>\$ 23,936,288</b> |

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

**Note 5. Capital Assets (Continued)**

Construction in progress at June 30, 2014, was composed of the following:

| <b>Project Location</b>    | <b>Project Authorization</b> | <b>Incurred as of June 30, 2014</b> | <b>Committed</b>     |
|----------------------------|------------------------------|-------------------------------------|----------------------|
| Abney Elementary           | \$ 5,541,430                 | \$ 37,594                           | \$ 5,503,836         |
| Bayou Lacombe Middle       | 447,322                      | 134,798                             | 312,524              |
| Bonne Ecole Elementary     | 2,264,518                    | 11,391                              | 2,253,127            |
| Boyet Jr. High             | 1,425,875                    | 85,339                              | 1,340,536            |
| Carolyn Park Middle        | 3,231,539                    | 66,848                              | 3,164,691            |
| Chahta-Ima Elementary      | 1,512,988                    | 32,242                              | 1,480,746            |
| Clearwood Jr. High         | 7,817,583                    | 337,453                             | 7,480,130            |
| Covington Elementary       | 103,722                      | 67,775                              | 35,947               |
| Covington High             | 8,987,289                    | 824,647                             | 8,162,642            |
| Fifth Ward Jr. High        | 223,320                      | 157,729                             | 65,591               |
| Folsom Elementary          | 514,071                      | 414,974                             | 99,097               |
| Fontainebleau High         | 741,056                      | 598,925                             | 142,131              |
| Fontainebleau Jr. High     | 11,982,805                   | 501,623                             | 11,481,182           |
| Lee Road Jr. High          | 329,861                      | 212,784                             | 117,077              |
| Lyon Elementary            | 3,995,145                    | 160,142                             | 3,835,003            |
| Madisonville Elementary    | 3,314,799                    | 235,724                             | 3,079,075            |
| Mandeville Elementary      | 6,009,695                    | 99,264                              | 5,910,431            |
| Mandeville High            | 46,820                       | 1,635                               | 45,185               |
| Mandeville Jr. High        | 2,579,651                    | 11,796                              | 2,567,855            |
| New Pupil Appraisal Office | 211,342                      | 211,342                             | -                    |
| Northshore High            | 4,352,917                    | 62,702                              | 4,290,215            |
| Pearl River High           | 11,987,327                   | 196,743                             | 11,790,584           |
| Pontchartrain Elementary   | 7,631,349                    | 108,428                             | 7,522,921            |
| Salmen High                | 71,282                       | 7,853                               | 63,429               |
| Slidell High               | 5,895,695                    | 418,615                             | 5,477,080            |
| Slidell Jr. High           | 2,978,763                    | 243,304                             | 2,735,459            |
| St. Tammany Jr. High       | 108,678                      | 93,088                              | 15,590               |
| Tchefuncte Middle          | 7,631,349                    | 108,428                             | 7,522,921            |
| Woodlake Elementary        | 5,640,527                    | 4,243,984                           | 1,396,543            |
| <b>Total</b>               | <b>\$ 107,578,718</b>        | <b>\$ 9,687,170</b>                 | <b>\$ 97,891,548</b> |

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

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**Note 6. Risk Management**

**Workers' Compensation**

The School Board has had a risk management program for workers' compensation since 1988. Premiums are paid into the Workers' Compensation Internal Service Fund by all funds from which salaries are paid and are available to pay claims, claim reserves, and administrative costs of the program. During fiscal year 2014, a total of \$4,941,952 was incurred in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$650,000.

An amount for self-insurance losses of \$8,483,270 has been accrued as a liability based upon an actuary's estimate as of June 30, 2014. Interfund premiums are based primarily upon the individual funds' claims experience and are reported as expenditures in the individual funds.

**Risk Management**

In addition, the School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and natural disasters. During fiscal year 1990, the School Board established a Risk Management Fund (an internal service fund) to account for and finance its uninsured risk of loss. Under this program, the Risk Management Fund provides coverage up to a maximum of \$250,000 for each general liability claim and \$5,000,000 for each property damage claim. The School Board purchases commercial insurance for claims in excess of coverage provided by the fund. In 2014, the School Board paid claims in excess of coverage of \$806,464 to claimants in excess of the \$250,000 maximum. The General Fund makes payments to the Risk Management Fund based on estimates of the amounts needed to pay claims and to accumulate funds for future catastrophic losses. At June 30, 2014, \$838,474 of fund equity was available for future catastrophic losses. Claims liabilities were \$1,616,081, based on an actuary's estimate at June 30, 2014.

**Health/Life Insurance**

In 2007, the School Board became self-insured for health care benefits offered to its employees and retirees. The plan is managed by a third-party administrator and excess cost coverage is purchased by the School Board to limit its liability.

The Health/Life Insurance Fund was closed in fiscal year 2013. The claims liability is accounted for in the General Fund.

The School Board continues to carry commercial insurance for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

**Note 6. Risk Management (Continued)**

**Risk Management**

Changes in the claims liability amount in the previous fiscal year and balances expected to be paid in the next year are as follows:

|                       | Balance<br>Beginning of<br>Year | Claims and<br>Changes in<br>Estimates | Payments<br>and Claims | Balance<br>End of<br>Year |
|-----------------------|---------------------------------|---------------------------------------|------------------------|---------------------------|
| Workers' Compensation |                                 |                                       |                        |                           |
| 2012-13               | \$ 8,636,532                    | \$ 4,283,495                          | \$ 4,193,368           | \$ 8,726,659              |
| 2013-14               | 8,726,659                       | 4,423,897                             | 4,667,286              | 8,483,270                 |
| Risk Management       |                                 |                                       |                        |                           |
| 2012-13               | 1,289,241                       | 1,201,440                             | 396,468                | 2,094,213                 |
| 2013-14               | 2,094,213                       | 1,118,549                             | 1,596,681              | 1,616,081                 |
| Health/Life Insurance |                                 |                                       |                        |                           |
| 2012-13               | 6,098,580                       | 63,963,773                            | 65,783,705             | 4,278,648                 |
| 2013-14               | 4,278,648                       | 63,607,534                            | 64,062,707             | 3,823,475                 |

**Note 7. Changes in Long-Term Obligations**

The following is a summary of the long-term obligation transactions for the year ended June 30, 2014:

|                                     | Balance<br>2013       | Additions            | Deductions              | Balance<br>2014       | Due Within<br>One Year |
|-------------------------------------|-----------------------|----------------------|-------------------------|-----------------------|------------------------|
| General Obligation Bonds            | \$ 204,540,000        | \$ 32,090,000        | \$ (31,480,000)         | \$ 205,170,000        | \$ 19,545,000          |
| Unamortized Premium                 | 5,050,216             | 2,494,903            | (454,800)               | 7,090,319             | -                      |
| Unamortized Discount                | (204,831)             | (72,540)             | 17,124                  | (260,247)             | -                      |
| Qualified School Construction Bonds | 4,000,000             | -                    | (333,333)               | 3,666,667             | 333,333                |
| Community Disaster Loan             | 65,766,016            | -                    | (65,766,016)            | -                     | -                      |
| Compensated Absences                | 17,602,424            | 13,733,298           | (13,586,633)            | 17,749,089            | 13,586,633             |
| <b>Total Long-Term Liabilities</b>  | <b>\$ 296,753,825</b> | <b>\$ 48,245,661</b> | <b>\$ (111,583,658)</b> | <b>\$ 233,415,828</b> | <b>\$ 33,464,966</b>   |

In 2005 and 2006, the School Board borrowed \$51,857,990 and \$15,985,981, respectively, from the federal government through the Community Disaster Loan Program, resulting in total Community Disaster Loans of \$67,843,971.

During 2014, no additional funds were received. The interest rate on these loans is fixed and ranges from 2.67% to 3.12%. In 2011, \$2,077,955 of principal and \$270,415 of interest was forgiven by the federal government under the forgiveness standards established by the Stafford Act. In 2014, the remaining principal of \$65,766,016 and interest of \$13,024,567 was forgiven by the federal government under the forgiveness standards established by the Stafford Act.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

---

**Note 7. Changes in Long-Term Obligations (Continued)**

As of June 30, 2014, the balance due on the Community Disaster Loan is \$-0-.

In July 2008, the School Board was authorized to issue \$67,000,000 in general obligation bonds with a final maturity date of March 1, 2028. These bonds were the first installment issue of the total \$167,000,000 approved by the citizens of St. Tammany Parish via the election on March 8, 2008. The bond proceeds were to be used to finance \$15,000,000 in technology, \$2,100,000 in security cameras, and \$149,900,000 in capital improvements for new construction and improvements to existing facilities. In June 2008, the School Board received a good faith deposit for this bond issue in the amount of \$670,000 which was included in bonds payable in the financial statements for the year ended June 30, 2008. The remaining bond proceeds of \$66,330,000 were received in July 2008.

In February 2009, the School Board was authorized to issue \$20,000,000 in general obligation bonds with a final maturity date of March 1, 2029. These bonds are the second installment issue of the total \$167,000,000 issue. The bond proceeds were received in May 2009.

In December 2009, the School Board was authorized to issue \$25,000,000 in general obligation bonds with a final maturity date of March 1, 2030. These bonds are the third installment issue of the total \$167,000,000 issue. The bond proceeds were received in March 2010.

In December 2009, the School Board was authorized to issue \$5,000,000 in Qualified School Construction Bonds with a final maturity of December 16, 2024. The Department of Education gave the School Board a \$5,000,000 allocation of the national qualified school construction bonds. These bond proceeds will be used for construction, rehabilitation, and repair of schools.

In October 2010, the School Board was authorized to issue \$20,000,000 in general obligation bonds with a final maturity date of March 1, 2030. These bonds are the fourth installment issue of the total \$167,000,000 issue. The bond proceeds were received in January 2011.

In June 2011, the School Board was authorized to issue \$10,000,000 in general obligation bonds with a final maturity date of April 1, 2031. These bonds are the fifth installment issue of the total \$167,000,000 issue. The bond proceeds were received in August 2011.

In April 2012, the School Board approved the redemption of the 2002 bonds in the amount of \$8,345,000. Excess cash in the Debt Service Fund was utilized for this redemption.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

---

**Note 7. Changes in Long-Term Obligations (Continued)**

In April 2012, the School Board issued \$9,330,000 in general obligation bonds (2012 Issue) with a final maturity date of April 1, 2016. The bond proceeds less the issuance costs were deposited into an irrevocable trust to be used to refund the remainder of the 2002 bonds in the amount of \$9,345,000. The interest rate for the 2012 bonds ranges from 1.33% to 1.34%. The interest rate on the 2002 bonds ranged from 4.00% to 5.00%. The \$9,345,000 is considered defeased.

By redeeming \$8,345,000 and refunding \$9,345,000 for the 2002 bonds, the School Board will save approximately \$3.2 million in future interest and principal payments, resulting in an economic gain of approximately \$2.4 million.

In May 2012, the School Board issued \$18,900,000 in general obligation bonds (2012A Issue) with a final maturity date of March 1, 2024. The bond proceeds less the issuance costs were deposited into an irrevocable trust to be used to refund the remainder of the 2004 bonds in the amount of \$18,975,000. The interest rate for the 2012A bonds ranges from 3.00% to 4.50%. The interest rate on the 2004 bonds ranged from 4.00% to 4.875%. The \$18,975,000 is considered defeased.

By refunding \$18,975,000 for the 2004 bonds, the School Board will save approximately \$1.2 million in future interest and principal payments, resulting in an economic gain of approximately \$1.0 million.

In March 2013, the School Board issued \$18,030,000 in general obligation bonds (2013 Issue) with a final maturity date of March 1, 2025. The bond proceeds less the issuance costs were deposited into an irrevocable trust to be used to refund \$18,850,000 of the 2005 bonds. Principal outstanding after the refunding was \$2,720,000. The interest rate for the 2013 bonds ranges from 3.0% to 5.0%. The interest rate on the 2005 bonds ranged from 3.25% to 5.0%. The \$18,850,000 is considered defeased.

By refunding \$18,850,000 for the 2005 bonds, the School Board will save approximately \$1.2 million in future interest and principal payments resulting in an economic gain of approximately \$1.1 million.

On August 20, 2013, the School Board issued \$20,000,000 in general obligation bonds to fund various capital projects. The bonds are secured by and payable from ad valorem taxes. This 2013 Series is the first issue under the \$135,000,000 in general obligation bonds authorized at an election held in the Parish on May 4, 2013. The interest rate on the bonds varies from 3.0% to 5.0%, and the maturity date is April 1, 2033.

In March 2014, the School Board issued \$12,090,000 in general obligation bonds (2014 Issue) with a final maturity date of March 1, 2026. The bond proceeds less the issuance costs were deposited into an irrevocable trust to be used to refund \$12,500,000 of the 2006 bonds. Principal outstanding after the refunding is \$2,500,000. The interest rate for the 2014 bonds ranges from 3.0% to 5.0%. The interest rate on the 2006 bonds ranged from 3.25% to 5.0%. The \$12,500,000 is considered defeased.



**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

**Note 7. Changes in Long-Term Obligations (Continued)**

By refunding \$12,500,000 of the 2006 bonds, the School Board's net savings is approximately \$504,361. The present value of net savings is approximately \$424,618.

A schedule of the individual issues outstanding as of June 30, 2014, is as follows:

|   | Original<br>Issue     | Interest<br>Rate | Payment<br>Due | Interest<br>to<br>Maturity | Principal<br>Outstanding |
|---|-----------------------|------------------|----------------|----------------------------|--------------------------|
| <b>General Obligation Bonds:</b>            |                       |                  |                |                            |                          |
| 2004  | \$ 17,645,000         | 2.0-5.0%         | 2005-2016      | \$ 306,750                 | \$ 4,060,000             |
| 2005  | 35,690,000            | 3.0-4.25%        | 2006-2018      | 1,671,300                  | 15,940,000               |
| 2005  | 30,000,000            | 3.25-5.0%        | 2006-2025      | 48,825                     | 1,395,000                |
| 2006  | 25,000,000            | 4.0-4.375%       | 2007-2026      | 200,000                    | 2,500,000                |
| 2008  | 67,000,000            | 4.75-5.0%        | 2007-2028      | 17,378,888                 | 47,660,000               |
| 2009  | 20,000,000            | 3.5-5.0%         | 2008-2029      | 4,755,250                  | 15,000,000               |
| 2010  | 25,000,000            | 4.117%           | 2009-2030      | 7,206,250                  | 20,000,000               |
| 2011  | 20,000,000            | 2.0-4.75%        | 2011-2030      | 6,242,869                  | 16,850,000               |
| 2012  | 9,330,000             | 1.33-1.34%       | 2013-2016      | 97,686                     | 4,830,000                |
| 2013  | 18,030,000            | 3.0-5.0%         | 2013-2025      | 4,884,250                  | 18,030,000               |
| 2011A                                       | 10,000,000            | 2.0-4.125%       | 2013-2031      | 3,100,237                  | 8,950,000                |
| 2012A                                       | 18,900,000            | 3.0-4.50%        | 2014-2024      | 4,324,150                  | 18,865,000               |
| 2013A                                       | 20,000,000            | 3.0-5.0%         | 2014-2033      | 8,204,750                  | 19,000,000               |
| 2014  | 12,090,000            | 4.0-5.0%         | 2017-2026      | 3,786,779                  | 12,090,000               |
| <b>Qualified School Construction Bonds:</b> |                       |                  |                |                            |                          |
| 2010  | 5,000,000             | 1.12%            | 2011-2024      | 616,000                    | 3,666,667                |
| <b>Total</b>                                | <b>\$ 333,685,000</b> |                  |                | <b>\$ 62,823,984</b>       | <b>\$ 208,836,667</b>    |

All principal and interest requirements on the general obligation bonds are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the Parish. The Qualified School Construction Bonds are to be repaid from constitutional ad valorem tax revenues in the General Fund. At June 30, 2014, the School Board has accumulated \$22,508,737 in the General Obligation Bonds Debt Service Fund for future debt service requirements.

The general obligation and Qualified School Construction Bonds are due as follows:

| Year Ending<br>June 30, | Principal Bond<br>Payments | Interest<br>Payments | Total                 |
|-------------------------|----------------------------|----------------------|-----------------------|
| 2015                    | \$ 19,878,333              | \$ 8,395,751         | \$ 28,274,084         |
| 2016                    | 20,423,334                 | 7,777,564            | 28,200,898            |
| 2017                    | 16,308,333                 | 6,995,350            | 23,303,683            |
| 2018                    | 16,748,333                 | 6,365,700            | 23,114,033            |
| 2019                    | 12,803,334                 | 5,696,725            | 18,500,059            |
| 2020-2024               | 69,161,666                 | 20,583,863           | 89,745,529            |
| 2025-2029               | 46,148,334                 | 6,412,331            | 52,560,665            |
| 2030-2033               | 7,365,000                  | 596,700              | 7,961,700             |
| <b>Total</b>            | <b>\$ 208,836,667</b>      | <b>\$ 62,823,984</b> | <b>\$ 271,660,651</b> |

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

---

**Note 7. Changes in Long-Term Obligations (Continued)**

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt funded solely by ad valorem taxes in excess of 35% of the assessed value of taxable property. At June 30, 2014, the statutory limit is \$774,556,906 and the legal debt margin is \$591,895,643. Outstanding bonded debt payable from ad valorem taxes at June 30, 2014, totaled \$205,170,000.

**Note 8. Defeased Debt**

The School Board defeased the General Obligation Bonds listed in the table below. An irrevocable trust fund was created for each defeasance. New debt was issued and the proceeds were used to purchase U.S. Government Securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt is considered defeased and, therefore, removed as a liability of the School Board.

As of June 30, 2014, the following outstanding bonds are considered defeased:

|                                  |              | Outstanding           | Defeasance     | Maturity Date |
|----------------------------------|--------------|-----------------------|----------------|---------------|
| <b>General Obligation Bonds:</b> |              |                       |                |               |
| \$ 25,000,000                    | 1996 Series  | \$ 16,380,000         | April 1, 2004  | March 1, 2016 |
| \$ 47,410,000                    | 2002 Series  | 9,345,000             | April 1, 2012  | April 1, 2016 |
| \$ 34,580,000                    | 1998A Series | 34,590,000            | June 1, 2005   | March 1, 2018 |
| \$ 30,000,000                    | 2004 Series  | 18,975,000            | May 1, 2012    | March 1, 2024 |
| \$ 18,850,000                    | 2005 Series  | 18,850,000            | March 14, 2013 | March 1, 2025 |
| \$ 12,500,000                    | 2006 Series  | 12,500,000            | March 13, 2014 | March 1, 2026 |
|                                  |              | <u>\$ 110,640,000</u> |                |               |

**Note 9. Tax Arbitrage Rebate**

Under the Tax Reform Act of 1986, interest earned on debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). For fiscal year 2014, no arbitrage was due to the IRS.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

---

**Note 10. Retirement Plans**

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel and bus drivers are members of the Louisiana School Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Fringe benefits and salaries for the School Board's employees were recognized as revenues and expenditures/expenses during the year ended June 30, 2014. Pertinent information, as required by Governmental Accounting Standards Board Statement No. 27, relative to each plan follows.

**Teachers' Retirement System of Louisiana (TRSL)**

*Plan Description:* The School Board participates in two membership plans of the TRSL, the Regular Plan and Plan A. The TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRSL issues a publicly available financial report that includes financial statements and required supplementary information for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

*Funding Policy:* Plan members are required to contribute 8.0% and 9.1% of their annual covered salary for the Regular Plan and Plan A, respectively. The School Board is required to contribute at an actuarially determined rate. The current rate is 27.2%% of annual covered payroll for both membership plans. Member contributions and employer contributions for the TRSL are established by state law and rates are established by the Public Retirement System's Actuarial Committee. The School Board's employer contribution to the TRSL, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board.

The School Board's contributions to the TRSL for the years ended June 30, 2014, 2013, and 2012, were \$55,301,540, \$49,114,746, and \$49,022,234, respectively, equal to the required contributions for each year.

**Louisiana School Employees' Retirement System (LSERS)**

*Plan Description:* The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

---

**Note 10. Retirement Plans (Continued)**

**Louisiana State Employees' Retirement System (LSERS) (Continued)**

*Funding Policy.* For fiscal years 2014, 2013, and 2012, the School Board's share was 32.3%, 30.8%, and 28.6%, respectively. Member contributions and employer contributions for the LSERS are established by state law and rates are established by the Public Retirement System's Actuarial Committee. The actuary has determined what the School Board should contribute on behalf of the membership plan. The School Board's employer contributions of \$6,594,731 for 2014, \$6,902,026 for 2013, and \$6,564,202 for 2012 for the LSERS were funded by the State of Louisiana through annual appropriations and by remittances from the School Board. The School Board's contributions to LSERS were equal to the required contributions for each year.

**Note 11. Changes in Agency Deposits Due Others**

A summary of changes in the School Activity Agency Fund's deposits due others are as follows:

|                            |                     |
|----------------------------|---------------------|
| Balance, Beginning of Year | \$ 6,470,303        |
| Additions                  | 14,879,008          |
| Deductions                 | <u>(14,674,163)</u> |
| Balance, End of Year       | <u>\$ 6,675,148</u> |

**Note 12. Litigation and Claims**

At June 30, 2014, the School Board was a defendant in lawsuits principally arising from the normal course of operations. The School Board's legal counsel has reviewed the School Board's claims and lawsuits, which are primarily personal injury claims, in order to evaluate the likelihood of an unfavorable outcome to the School Board and to arrive at an estimate, if any, of the amount or range of potential loss to the School Board.

As a result of the review, the various claims and lawsuits have been categorized into "probable," "reasonably possible," or "remote," as defined by the Governmental Accounting Standards Board.

Amounts of claims classified as "probable" have been accrued in the claims liability and the liability for self-insurance losses, as explained in Note 6. It is the opinion of the School Board, after conferring with legal counsel, that the liability, if any, which might arise from these lawsuits, except for amounts accrued in the financial statements, would not have a material adverse effect on the School Board's financial position.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

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**Note 12. Litigation and Claims (Continued)**

The School Board participates in a number of federal financial assistance programs. Although the grant programs have been audited in accordance with the Single Audit Act through June 30, 2014, these programs are still subject to financial and compliance audits and resolution of previously identified questioned costs. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the School Board expects such amounts, if any, to be immaterial.

**Note 13. Excess of Expenditures Over Appropriations**

For those funds for which a budget-to-actual comparison was made that are not major funds, actual expenditures exceeded budgeted expenditures on a line item basis as follows:

|   | <b>Expenditures</b> |               | <b>Unfavorable<br/>Variance</b> |
|---|---------------------|---------------|---------------------------------|
|   | <b>Budget</b>       | <b>Actual</b> |                                 |
| Parish Wide Construction Fund           |                     |               |                                 |
| Facilities Acquisition and Construction |                     |               |                                 |
| Equipment                               | \$ 100,000          | \$ 167,464    | \$ 67,464                       |

**Note 14. Hurricane Katrina**

On August 29, 2005, Hurricane Katrina devastated the Gulf Coast area. The damage caused by the hurricane significantly damaged much of the Parish's taxable property particularly in the southeastern quadrant. The School Board also received damage in excess of \$120 million to its facilities.

The School Board continues to work with FEMA and the Department of Housing and Urban Development to recover funds needed to repair and rebuild its damaged facilities. As of June 30, 2014, the School Board had spent in excess of \$139 million on repair costs. Most of the repairs have been substantially completed including the rebuilding of Salmen High School and the Brooks Curriculum Center. There are sufficient funds available to cover all losses.

**Note 15. Concentration of Revenue**

For the year ended June 30, 2014, the School Board received 45.4% of its revenue from local sources, 47.4% of its revenue from the State of Louisiana, and 7.2% of its revenue from the federal government. Ad valorem tax revenue accounts for 55.7% of the total local source revenue. Ad valorem millages will expire at December 31, 2022, as discussed in Note 2.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

**Note 16. Operating Leases**

The School Board leases buildings and other equipment under noncancelable operating leases. Total costs for such leases were \$870,770, for the year ended June 30, 2014.

The future minimum lease payments for these leases are as follows:

| <b>Year Ended<br/>June 30,</b> | <b>Amount</b>       |
|--------------------------------|---------------------|
| 2015                           | \$ 843,950          |
| 2016                           | 716,270             |
| <b>Total</b>                   | <b>\$ 1,560,220</b> |

**Note 17. Fund Equity**

At June 30, 2014, the governmental fund equities are classified as follows:

|                            | <b>General<br/>Fund</b> | <b>Katrina<br/>Fund</b> | <b>2013<br/>Construction<br/>Fund</b> | <b>Debt Service<br/>Fund</b> | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total</b>          |
|----------------------------|-------------------------|-------------------------|---------------------------------------|------------------------------|---|-----------------------|
| <b>Non-Spendable for:</b>  |                         |                         |                                       |                              |   |                       |
| Inventory                  | \$ -                    | \$ -                    | \$ -                                  | \$ -                         | \$ 463,488                              | \$ 463,488            |
| Prepays                    | 742,574                 | -                       | 237,454                               | -                            | -                                       | 980,028               |
| <b>Total Non-Spendable</b> | <b>742,574</b>          | <b>-</b>                | <b>237,454</b>                        | <b>-</b>                     | <b>463,488</b>                          | <b>1,443,516</b>      |
| <b>Restricted for:</b>     |                         |                         |                                       |                              |   |                       |
| Construction               | -                       | -                       | 32,171,396                            | -                            | -                                       | 32,171,396            |
| Debt Service               | -                       | -                       | -                                     | 22,508,737                   | -                                       | 22,508,737            |
| Operational Purposes       | -                       | 26,445,467              | -                                     | -                            | -                                       | 26,445,467            |
| Food Service               | -                       | -                       | -                                     | -                            | 1,658,105                               | 1,658,105             |
| <b>Total Restricted</b>    | <b>-</b>                | <b>26,445,467</b>       | <b>32,171,396</b>                     | <b>22,508,737</b>            | <b>1,658,105</b>                        | <b>82,783,705</b>     |
| <b>Committed for:</b>      |                         |                         |                                       |                              |   |                       |
| Bond Rating                | 20,854,282              | -                       | -                                     | -                            | -                                       | 20,854,282            |
| Special Programs           | -                       | -                       | -                                     | -                            | 915,770                                 | 915,770               |
| <b>Total Committed</b>     | <b>20,854,282</b>       | <b>-</b>                | <b>-</b>                              | <b>-</b>                     | <b>915,770</b>                          | <b>21,770,052</b>     |
| <b>Assigned to:</b>        |                         |                         |                                       |                              |   |                       |
| Construction               | -                       | -                       | -                                     | -                            | 2,714,009                               | 2,714,009             |
| Local Priorities           | 44,956,576              | -                       | -                                     | -                            | -                                       | 44,956,576            |
| <b>Total Assigned</b>      | <b>44,956,576</b>       | <b>-</b>                | <b>-</b>                              | <b>-</b>                     | <b>2,714,009</b>                        | <b>47,670,585</b>     |
| <b>Total Fund Balance</b>  | <b>\$ 66,553,432</b>    | <b>\$ 26,445,467</b>    | <b>\$ 32,408,850</b>                  | <b>\$ 22,508,737</b>         | <b>\$ 5,751,372</b>                     | <b>\$ 153,667,858</b> |

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

---

**Note 17. Fund Equity (Continued)**

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

- **Non-spendable Fund Balance** - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- **Restricted Fund Balance** - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed Fund Balance** - amounts that can be used only for specific purposes determined by a formal action of the School Board members. The Board is the highest level of decision-making authority for the School Board. Commitments may be established, modified, or rescinded only through resolutions approved by Board members. In the General Fund, the School Board maintains a committed fund balance in the amount of \$20,854,282 to maintain "AA" bond rating and for financial stability.
- **Assigned Fund Balance** - amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under the School Board's adopted policy, only Board members may assign amounts for specific purposes. In the General Fund, the School Board has assigned fund balance in the amount of \$44,956,576 for local priorities, which is defined as salaries and benefits and other instructional purposes.
- **Unassigned Fund Balance** - all other spendable amounts. A negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

**Note 18. *GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions***

**Plan Description:** St. Tammany Parish School Board's medical benefits are provided to employees upon actual retirement.

Most employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 5 years of service. Employees hired on and after January 1, 2011 may not retire prior to age 60 without actuarial reduction in benefits. The remainder of employees is covered by the Louisiana School Employees' Retirement System (LSERS) whose retirement (D.R.O.P. entry) eligibility provisions are the same as TRSL except that they are also eligible to retire at age 60 and 10 years of service.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

---

**Note 18. GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (Continued)**

Basic and Supplemental life insurance coverage is provided to retirees according to three schedules (based on age brackets) and also based on the annual earnings at time of retirement. The three age brackets are below age 65, age 65 through age 69 and greater than or equal to age 70. Basic life amounts are \$5,000, \$4,000 and \$3,000, respectively, for the three age brackets and the salary related schedules have maximum amounts of Basic plus Supplemental coverage of \$50,000, \$38,000 and \$25,000, respectively. AD&D coverage ceases at age 70.

The current rate schedule is partially "blended" by age. Since GASB 45 requires the use of "unblended" rates, the 95GAR mortality table described below was used to unblend the rates so as to reproduce the same composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

**Contribution Rates:** Employees do not contribute to their postemployment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

**Funding Policy:** Until 2008, St. Tammany Parish School Board recognized the cost of providing postemployment medical and life insurance benefits (St. Tammany Parish School Board's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the postemployment benefits on a pay-as-you-go basis. In 2014 and 2013, St. Tammany Parish School Board's portion of health care and life insurance funding cost for retired employees totaled \$21,940,315 and \$18,447,646, respectively.

Effective July 1, 2008, St. Tammany Parish School Board implemented Governmental Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

**Annual Required Contribution:** St. Tammany Parish School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the postemployment benefits.



**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

**Note 18. GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (Continued)**

**Net Postemployment Benefit Obligation (Asset):** The table below shows St. Tammany Parish School Board's Net Other Postemployment Benefit (OPEB) Obligation:

|  | Fiscal Year Ended June 30, 2014 |                     |                       |
|--|---------------------------------|---------------------|-----------------------|
|  | Medical                         | Life                | Total                 |
| <b>Determination of Annual Required Contribution</b> |                                 |                     |                       |
| Normal Cost at Fiscal Year End                       | \$ 14,198,751                   | \$ 360,233          | \$ 14,558,984         |
| Amortization of UAAL                                 | 22,622,144                      | 608,636             | 23,230,780            |
| Annual Required Contribution (ARC)                   | <u>\$ 36,820,895</u>            | <u>\$ 968,869</u>   | <u>\$ 37,789,764</u>  |
| <b>Determination of Net OPEB Obligation</b>          |                                 |                     |                       |
| Annual Required Contribution                         | \$ 36,820,895                   | \$ 968,869          | \$ 37,789,764         |
| Interest on Prior Year Net OPEB Obligation           | 5,533,476                       | 254,165             | 5,787,641             |
| Adjustment to ARC                                    | <u>(8,000,037)</u>              | <u>(367,459)</u>    | <u>(8,367,496)</u>    |
| Annual OPEB Cost                                     | 34,354,334                      | 855,575             | 35,209,909            |
| Actual Contributions Made                            | <u>(21,568,490)</u>             | <u>(371,825)</u>    | <u>(21,940,315)</u>   |
| Increase in Net OPEB Obligation                      | 12,785,844                      | 483,750             | 13,269,594            |
| Net OPEB Obligation - Beginning of Year              | <u>138,336,893</u>              | <u>6,354,115</u>    | <u>144,691,008</u>    |
| Net OPEB Obligation - End of Year                    | <u>\$ 151,122,737</u>           | <u>\$ 6,837,865</u> | <u>\$ 157,960,602</u> |

The following table shows St. Tammany Parish School Board's annual postemployment benefits (OPEB) cost, percentage of the cost contributed, and the net unfunded postemployment benefits (OPEB) liability for last year and this year:

| Fiscal Year Ended | Annual OPEB Cost | Percentage of Annual Cost Contributed | Net OPEB Liability (Asset) |
|-------------------|------------------|---------------------------------------|----------------------------|
| June 30, 2014     | \$ 35,209,909    | 62.31%                                | \$ 157,960,602             |
| June 30, 2013     | \$ 50,297,200    | 36.68%                                | \$ 144,691,008             |

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

**Note 18. GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (Continued)**

**Funded Status and Funding Progress:** In 2014 and 2013, St. Tammany Parish School Board made no contributions to its postemployment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2013 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2014, was \$401,710,117 which is defined as that portion, as determined by a particular actuarial cost method (St. Tammany Parish School Board uses the Projected Unit Credit Cost Method), of the actuarial present value of postemployment plan benefits and expenses which is not provided by normal cost.

|   | 2014           | 2013           |
|---|----------------|----------------|
| Actuarial Accrued Liability (AAL)       | \$ 401,710,117 | \$ 532,754,575 |
| Actuarial Value of Plan Assets (AVP)    | -              | -              |
| Unfunded Act. Accrued Liability (UAAL)  | \$ 401,710,117 | \$ 532,754,575 |
| Funded Ratio (AVP/AAL)                  | 0.00%          | 0.00%          |
| Covered Payroll (Active Plan Members)   | \$ 238,330,316 | \$ 250,515,760 |
| UAAL as a Percentage of Covered Payroll | 168.55%        | 212.66%        |

**Actuarial Methods and Assumptions:** Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for postemployment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by St. Tammany Parish School Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between St. Tammany Parish School Board and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between St. Tammany Parish School Board and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

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**Note 18. GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (Continued)**

**Actuarial Cost Method:** The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

**Actuarial Value of Plan Assets:** There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45, would be used.

**Turnover Rate:** An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 8%. Based on historical experience, it was also assumed that 30% of retirees declined coverage upon retirement.

**Postemployment Benefit Plan Eligibility Requirements:** It is assumed that entitlement to benefits will commence six years after earliest eligibility to enter the D.R.O.P. as described above under the heading "Plan Description". This consists of a three year D.R.O.P. period plus an additional three year delay. Medical benefits are provided to employees upon actual retirement.

**Investment Return Assumption (Discount Rate):** GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

**Health Care Cost Trend Rate:** The expected rate of increase in medical costs is based on a graded schedule beginning with 8.0% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

**Mortality Rate:** The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains a sufficiently conservative margin for the population involved in this valuation.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

**Note 18. GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (Continued)**

**Method of Determining Value of Benefits:** The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The rates provided are "unblended" rates for active and retired as required by GASB 45 for valuation purposes.

**Inflation Rate:** Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.5% annually.

**Projected Salary Increases:** This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

**Post-Retirement Benefit Increases:** The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Below is a summary of OPEB costs and contributions for the last three fiscal calendar years:

|  | <b>OPEB Costs and Contributions</b> |                |                |
|--|-------------------------------------|----------------|----------------|
|  | <b>FY 2012</b>                      | <b>FY 2013</b> | <b>FY 2014</b> |
| OPEB Cost                              | \$ 49,091,059                       | \$ 50,297,200  | \$ 35,209,909  |
| Contribution                           | -                                   | -              | -              |
| Retiree Premium                        | 16,724,021                          | 18,447,646     | 21,940,315     |
| Total Contribution and Premium         | 16,724,021                          | 18,447,646     | 21,940,315     |
| Change in Net OPEB Obligation          | \$ 32,367,038                       | \$ 31,849,554  | \$ 13,269,594  |
| % of Contribution to Cost              | 0.00%                               | 0.00%          | 0.00%          |
| % of Contribution Plus Premium to Cost | 34.07%                              | 36.68%         | 62.31%         |

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Basic Financial Statements**

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**Note 19. Impact of Recently Issued Accounting Pronouncements**

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. Additionally, the GASB evaluated bond issuance costs and concluded that, with the exception of prepaid insurance, the costs relate to services provided in the current period and, thus, they should be expensed in the current period. This is a significant change from the current practice which is to record these as assets and amortize them over the life of the related debt issue. The provisions of the statement are effective for periods beginning after December 15, 2012. Upon adoption of this new standard in fiscal year 2014, net position decreased by \$3,225,098 due to derecognition of the unamortized portion of the asset associated with bond issuance costs as of June 30, 2013.

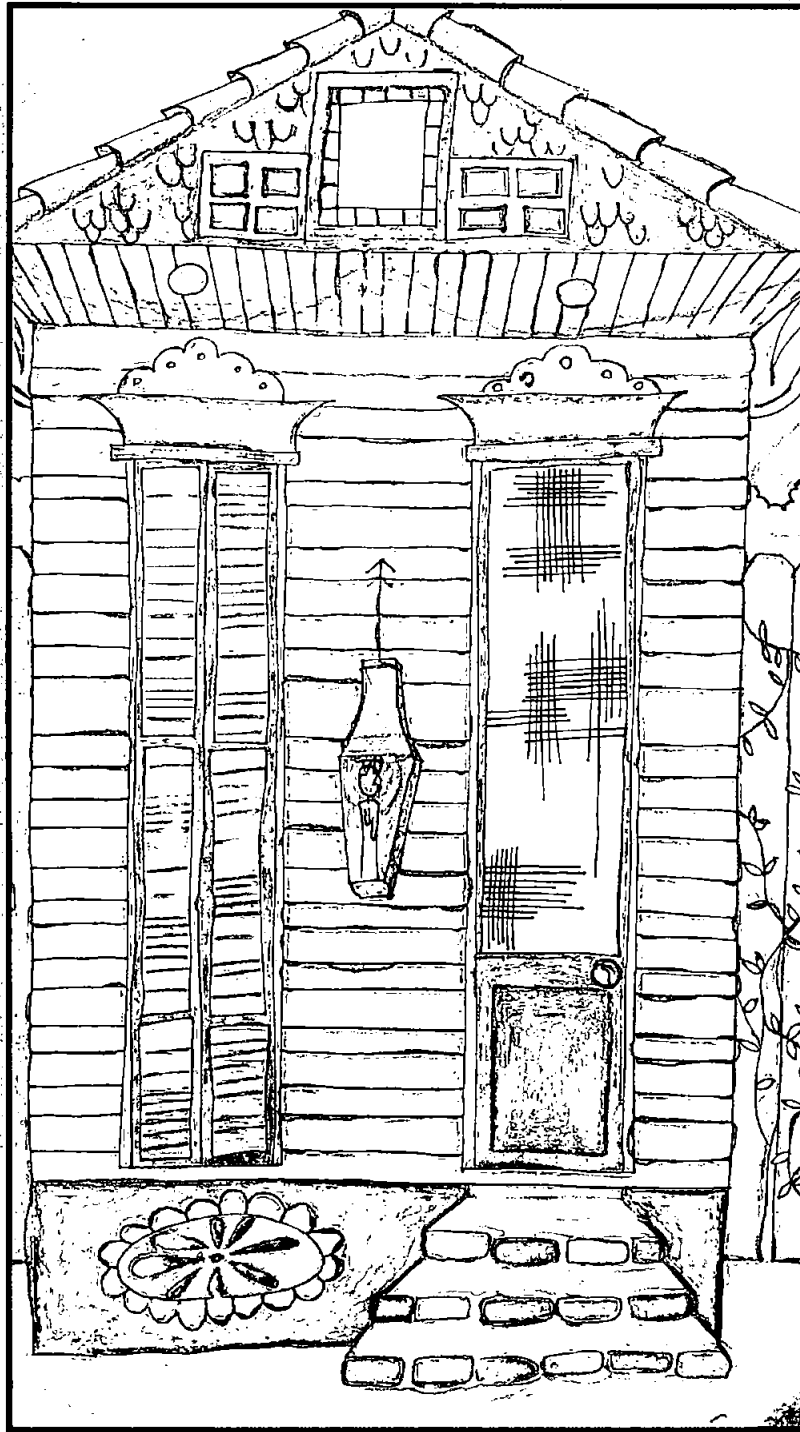
As of June 30, 2014, the Government Accounting Standards Board has issued several statements not yet implemented by the School Board. The Statement which might impact the School Board is as follows:

**Government Accounting Standards Board Statement No. 68 (GASB 68)**

The GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, in June 2012. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pension plans. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014.

**Note 20. Subsequent Events**

On November 25, 2014, the School Board issued \$30,000,000 in general obligation bonds to fund various capital projects. The bonds are secured by and payable from ad valorem taxes. This 2014 Series is the second issue under the \$135,000,000 in general obligation bonds authorized at an election held in the Parish on May 4, 2013. The interest rate on the bonds varies from 2.0% to 5.0%, and the maturity date is March 1, 2034.



"A Home for Grandma"  
Omri Starr - Grade 11  
Shelley Hickman - Teacher  
Covington High School

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**REQUIRED SUPPLEMENTARY  
INFORMATION - OTHER**

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Statement 1-1**

**General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2014**

|  | Budgeted Amounts   |                    | Actual Amounts     | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|--|--------------------|--------------------|--------------------|--|
|  | Original           | Final              |                    |  |
| <b>Budgetary Fund Balance,<br/>Beginning of Year</b> | \$ 45,694,436      | \$ 55,208,959      | \$ 55,208,959      | \$ -   |
| <b>Resources (Inflows)</b>                           |                    |                    |                    |  |
| <b>Local Sources:</b>                                |                    |                    |                    |  |
| Ad Valorem Taxes                                     | 83,658,450         | 86,394,185         | 87,270,138         | 875,953  |
| Sales and Use Taxes                                  | 82,001,700         | 83,661,600         | 85,228,553         | 1,566,953  |
| Tuition:   |                    |                    |                    |  |
| Summer School/Drivers Education/Community Ed.        | 1,490,000          | 1,553,500          | 1,553,583          | 83   |
| Earnings on Investments                              | 356,000            | 396,150            | 396,157            | 7  |
| Medical Services                                     | 1,990,000          | 1,760,000          | 153,693            | (1,606,307)  |
| Other  | 1,522,650          | 1,337,909          | 1,337,915          | 6  |
| <b>Total Resources from Local Sources</b>            | <b>171,018,800</b> | <b>175,103,344</b> | <b>175,940,039</b> | <b>836,695</b>   |
| <b>State Sources:</b>                                |                    |                    |                    |  |
| Equalization (MFP)                                   | 204,556,000        | 203,600,723        | 203,600,728        | 5  |
| HB 1 Appropriation                                   | 4,957,585          | 4,957,585          | 4,957,585          | -  |
| Contributions to<br>Teachers' Retirement             | 46,600             | 40,792             | 40,792             | -  |
| Revenue Sharing                                      | 1,917,200          | 1,991,297          | 1,991,297          | -  |
| Professional Improvement Program                     | 176,000            | 135,943            | 135,943            | -  |
| Non-Public Students                                  | 191,500            | 192,715            | 192,715            | -  |
| <b>Total Resources from State Sources</b>            | <b>211,844,885</b> | <b>210,919,055</b> | <b>210,919,060</b> | <b>5</b>   |
| <b>Federal Sources:</b>                              |                    |                    |                    |  |
| ROTC   | 534,000            | 469,900            | 469,932            | 32   |
| <b>Total Resources from Federal Sources</b>          | <b>534,000</b>     | <b>469,900</b>     | <b>469,932</b>     | <b>32</b>  |
| <b>Total Resources</b>                               | <b>383,397,685</b> | <b>386,492,299</b> | <b>387,329,031</b> | <b>836,732</b>   |
| <b>Other Financing Sources</b>                       |                    |                    |                    |  |
| Transfers In:  |                    |                    |                    |  |
| School Food Service Fund                             | 216,300            | 217,069            | 217,069            | -  |
| Indirect Costs                                       | 1,215,000          | 1,022,594          | 1,022,594          | -  |
| <b>Total Other Financing Sources</b>                 | <b>1,431,300</b>   | <b>1,239,663</b>   | <b>1,239,663</b>   | <b>-</b>   |
| <b>Amounts Available for Appropriations</b>          | <b>430,523,421</b> | <b>442,940,921</b> | <b>443,777,653</b> | <b>836,732</b>   |

See notes to budgetary comparison schedules and independent auditor's report.



**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Statement 1-1**

**General Fund  
Budgetary Comparison Schedule (Continued)  
For the Year Ended June 30, 2014**

|   | Budgeted Amounts     |                      | Actual Amounts       | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|---|----------------------|----------------------|----------------------|--|
|   | Original             | Final                |                      |  |
| <b>Charges to Appropriations (Outflows)</b> |                      |                      |                      |  |
| Current:                                    |                      |                      |                      |  |
| Instruction:                                |                      |                      |                      |  |
| Regular Education Programs                  | 150,939,738          | 153,017,330          | 150,227,695          | 2,789,635  |
| Special Education Programs                  | 65,850,315           | 65,919,500           | 65,058,237           | 861,263  |
| Vocational Education Programs               | 5,716,100            | 5,395,000            | 5,351,500            | 43,500   |
| Other Instructional Programs                | 10,145,420           | 9,352,645            | 9,035,284            | 317,361  |
| Special Programs                            | 2,475,715            | 1,679,627            | 1,659,403            | 20,224   |
| Support Services:                           |                      |                      |                      |  |
| Pupil Support                               | 22,749,500           | 22,529,383           | 22,450,802           | 78,581   |
| Instructional Staff Support                 | 10,448,700           | 10,021,500           | 9,757,477            | 264,023  |
| General Administration                      | 6,689,708            | 6,984,662            | 6,915,707            | 68,955   |
| School Administration                       | 23,558,699           | 23,866,199           | 23,565,806           | 300,393  |
| Business Administration                     | 2,415,665            | 2,399,962            | 2,326,710            | 73,252   |
| Operation and Maintenance of Plant          | 37,533,820           | 38,131,200           | 36,574,084           | 1,557,116  |
| Pupil Transportation                        | 34,628,775           | 33,939,100           | 33,221,239           | 717,861  |
| Central Services                            | 6,615,075            | 6,206,263            | 6,015,842            | 190,421  |
| Food Service                                | 27,000               | 27,000               | 22,740               | 4,260  |
| Community Service Programs                  | 1,477,000            | 1,290,360            | 1,282,471            | 7,889  |
| Facilities Acquisition and Construction     | 407,505              | 603,415              | 597,756              | 5,659  |
| Debt Service                                | 392,250              | 403,468              | 403,468              | -  |
| Transfers Out                               | 2,758,000            | 2,758,000            | 2,758,000            | -  |
| <b>Total Charges to Appropriations</b>      | <b>384,828,985</b>   | <b>384,524,614</b>   | <b>377,224,221</b>   | <b>7,300,393</b>   |
| <b>Budgetary Fund Balance, End of Year</b>  | <b>\$ 45,694,436</b> | <b>\$ 58,416,307</b> | <b>\$ 66,553,432</b> | <b>\$ 8,137,125</b>  |

See notes to budgetary comparison schedules and independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Statement 1-2**

**Katrina Special Revenue Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2014**

|  | Budgeted Amounts |               | Actual Amounts | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|--|------------------|---------------|----------------|--|
|  | Original         | Final         |                |  |
| <b>Budgetary Fund Balance, Beginning of Year</b> | \$ 22,363,904    | \$ 26,049,556 | \$ 26,049,556  | \$ -   |
| <b>Resources (Inflows)</b>                       |                  |               |                |  |
| Local Sources:                                   |                  |               |                |  |
| Earnings on Investments                          | 143,000          | 192,460       | 192,460        | -  |
| Federal Sources:                                 |                  |               |                |  |
| FEMA Disaster Recovery                           | -                | 203,451       | 203,451        | -  |
| <b>Total Resources</b>                           | 143,000          | 395,911       | 395,911        | -  |
| <b>Amounts Available for Appropriations</b>      | 22,506,904       | 26,445,467    | 26,445,467     | -  |
| <b>Charges to Appropriations (Outflows)</b>      |                  |               |                |  |
| Instruction:                                     |                  |               |                |  |
| Regular Education Programs                       | -                | -             | -              | -  |
| Special Education Programs                       | -                | -             | -              | -  |
| Vocational Education Programs                    | -                | -             | -              | -  |
| Other Instructional Programs                     | -                | -             | -              | -  |
| Special Programs                                 | -                | -             | -              | -  |
| Support Services:                                |                  |               |                |  |
| Pupil Support                                    | -                | -             | -              | -  |
| Instructional Staff Support                      | -                | -             | -              | -  |
| General Administration                           | -                | -             | -              | -  |
| School Administration                            | -                | -             | -              | -  |
| Business Administration                          | -                | -             | -              | -  |
| Operation and Maintenance of Plant               | -                | -             | -              | -  |
| Pupil Transportation                             | -                | -             | -              | -  |
| Central Services                                 | -                | -             | -              | -  |
| Food Service                                     | -                | -             | -              | -  |
| Facilities Acquisition and Construction          | -                | -             | -              | -  |
| Transfers Out                                    | -                | -             | -              | -  |
| <b>Total Charges to Appropriations</b>           | -                | -             | -              | -  |
| <b>Budgetary Fund Balance, End of Year</b>       | \$ 22,506,904    | \$ 26,445,467 | \$ 26,445,467  | \$ -   |

See notes to budgetary comparison schedules and independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to the Budgetary Comparison Schedules  
For the Year Ended June 30, 2014**

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**Budgets**

**General Budget Practices**

The proposed budgets for fiscal year 2014 were completed and made available for public inspection at the School Board office on August 1, 2013. A public hearing was held on August 22, 2013 for suggestions and comments from taxpayers. The proposed fiscal year 2014 budgets were formally adopted by the School Board on September 12, 2013. The budgets, which included proposed expenditures and the means of financing them, for the General, Special Revenue, Debt Service, and Capital Projects Funds, were published in the official journal ten days prior to the public hearings.

Formal budgetary accounts are integrated into the accounting system during the year as a management control device, including the recording of encumbrances. Appropriations are valid only for the year in which made, and any part of such appropriation which is not encumbered or expensed lapses at the end of the year. Current year transactions that are directly related to the prior year's budget are not rebudgeted in the current year.

The Superintendent is authorized to transfer budget amounts between budget lines in a fund; however, any supplemental appropriations that amend the total expenditures of any fund require School Board approval. As required by state law, when actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments. Amendments to the budget reflect changes in revenue sources determined after the budget was initially approved. No other significant changes occurred.

**Budget Basis of Accounting**

The budgets for the General and Special Revenue Funds for fiscal year 2014 were prepared on the modified accrual basis of accounting, consistent with generally accepted accounting principles (GAAP).

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded, is employed by the General Fund and Capital Projects Funds.

Encumbrances outstanding at year-end lapse and are re-encumbered the following year.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Statement 1-3**

**Schedule of Funding Progress  
For the Year Ended June 30, 2014**

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets | Medical<br>Actuarial<br>Accrued<br>Liabilities<br>(AAL) | Life<br>Actuarial<br>Accrued<br>Liabilities<br>(AAL) | Actuarial<br>Accrued<br>Liabilities<br>(AAL) | Total<br>Unfunded<br>Actuarial<br>Accrued<br>Liabilities<br>(UAAL) | Funded<br>Ratio | Covered<br>Payroll | UAAL as a<br>Percentage<br>of Covered<br>Payroll |
|--------------------------------|---------------------------------|---|--|--|--|-----------------|--------------------|--|
| July 1, 2011                   | \$ -                            | \$ 497,282,042  | \$ 19,616,854  | \$ 516,898,896                               | \$ 516,898,896   | 0.00%           | \$ 256,087,974     | 201.84%  |
| July 1, 2012                   | \$ -                            | \$ 512,023,172  | \$ 20,731,403  | \$ 532,754,575                               | \$ 532,754,575   | 0.00%           | \$ 250,515,760     | 212.66%  |
| July 1, 2013                   | \$ -                            | \$ 391,185,651  | \$ 10,524,466  | \$ 401,710,117                               | \$ 401,710,117   | 0.00%           | \$ 238,330,316     | 168.55%  |

See independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**OTHER SUPPLEMENTARY INFORMATION**



"Dragon Fly"  
Chloe Norman - Grade 8  
Adair Watkins - Teacher  
Fontainebleau Jr. High School

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Description of Non-Major Funds**

**Special Revenue Funds:**

**NCLB** - This fund is used to account for federal grants received and the program expenditures under the No Child Left Behind Act.

**IDEA** - This fund is used to account for federal grants received and the program expenditures under the Individuals with Disabilities Act.

**TANF** - This fund is used to account for federal and state grants received and the program expenditures under the Temporary Aid for Needy Families Act.

**Vocational Education** - This fund is used to account for federal grants received and the related expenditures for vocational education.

**Miscellaneous Programs** - This fund is used to account for federal, state, and local grants received and the program expenditures related to various programs.

**8G** - This fund is used to account for state grants received and the program expenditures related to 8G Funding.

**School Food Service** - This fund is used to account for the revenue and expenditures related to the School Board's student lunch and breakfast programs.

**CDBG** - This fund is used to account for the revenue and expenditures related to the Community Development Block Grant. This grant was awarded to reimburse the School Board for disaster related expenses that were not covered by the Federal Emergency Management Agency (FEMA) grants.

**Capital Projects Funds:**

**2008 Construction** - This fund is used to account for the capital expenditures of the 2008 bond proceeds.

**Re-Roofing Construction** - This fund is used to account for the capital expenditures for various roofing projects throughout the Parish.

**Parish Wide Construction** - This fund is used to account for the capital expenditures for various construction projects throughout the Parish not specifically funded through bond issues.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Non-Major Fund Descriptions (Continued)**

**Internal Service Funds:**

**Workers' Compensation** - This fund is used to account for the expenditures for workers' compensation claims for School Board employees.

**Risk Management** - This fund is used to account for the expenditures for general and auto liability claims for the School Board.

**Agency Funds:**

**School Activity** - This fund is used to account for the various individual schools' student activity funds.



**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**COMBINING  
NON-MAJOR GOVERNMENTAL FUNDS -  
BY FUND TYPE**

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Exhibit 1**

**Non-Major Governmental Funds  
Combining Balance Sheet - By Fund Type  
June 30, 2014  
With Comparative Totals for June 30, 2013**

|  | Special<br>Revenue  | Capital<br>Projects | Totals               |                      |
|--|---------------------|---------------------|----------------------|----------------------|
|  |                     |                     | 2014                 | 2013                 |
| <b>Assets</b>                              |                     |                     |                      |                      |
| Cash and Cash Equivalents                  | \$ 5,952,026        | \$ 3,337,576        | \$ 9,289,602         | \$ 11,658,836        |
| Receivables                                |                     |                     |                      |                      |
| Intergovernmental:                         |                     |                     |                      |                      |
| Federal                                    | 2,815,763           | -                   | 2,815,763            | 5,381,390            |
| State                                      | 354,774             | -                   | 354,774              | 263,655              |
| Local                                      | 4,040               | -                   | 4,040                | -                    |
| Due from Other Funds                       | -                   | -                   | -                    | -                    |
| Inventory                                  | 463,488             | -                   | 463,488              | 443,305              |
| Restricted Cash and Investments            | -                   | -                   | -                    | -                    |
| <b>Total Assets</b>                        | <b>\$ 9,590,091</b> | <b>\$ 3,337,576</b> | <b>\$ 12,927,667</b> | <b>\$ 17,747,186</b> |
| <b>Liabilities and Fund Balances</b>       |                     |                     |                      |                      |
| <b>Liabilities</b>                         |                     |                     |                      |                      |
| Salaries and Wages Payable                 | \$ 26,348           | \$ -                | \$ 26,348            | \$ -                 |
| Accounts Payable                           | 3,113               | 474,559             | 477,672              | 1,278,435            |
| Contracts and Retainage Payable            | -                   | 149,008             | 149,008              | 82,155               |
| Due to Other Funds                         | 6,434,154           | -                   | 6,434,154            | 8,566,653            |
| Other Liabilities                          | 89,113              | -                   | 89,113               | 97,525               |
| <b>Total Liabilities</b>                   | <b>6,552,728</b>    | <b>623,567</b>      | <b>7,176,295</b>     | <b>10,024,768</b>    |
| <b>Fund Balances</b>                       |                     |                     |                      |                      |
| Non-Spendable:                             |                     |                     |                      |                      |
| Inventory                                  | 463,488             | -                   | 463,488              | 443,305              |
| Restricted for:                            |                     |                     |                      |                      |
| Food Service                               | 1,658,105           | -                   | 1,658,105            | 1,431,518            |
| Committed for:                             |                     |                     |                      |                      |
| Special Programs                           | 915,770             | -                   | 915,770              | 783,673              |
| Assigned for:                              |                     |                     |                      |                      |
| Construction                               | -                   | 2,714,009           | 2,714,009            | 5,063,922            |
| <b>Total Fund Balances</b>                 | <b>3,037,363</b>    | <b>2,714,009</b>    | <b>5,751,372</b>     | <b>7,722,418</b>     |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 9,590,091</b> | <b>\$ 3,337,576</b> | <b>\$ 12,927,667</b> | <b>\$ 17,747,186</b> |

See independent auditor's report.

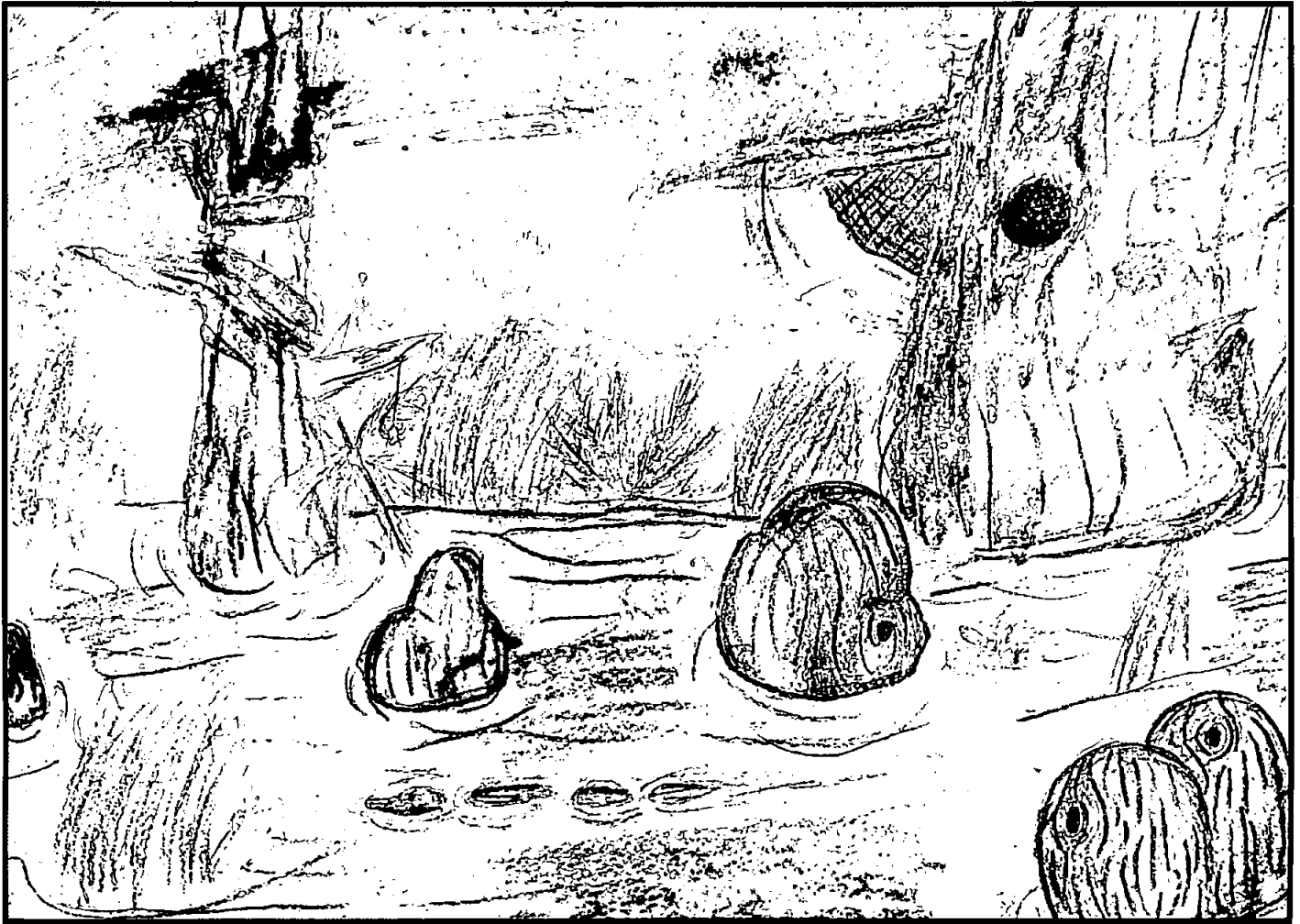
**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Exhibit 2**

**Non-Major Governmental Funds  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - By Fund Type  
For the Year Ended June 30, 2014  
With Comparative Totals for the Year Ended June 30, 2013**

|   | Special<br>Revenue  | Capital<br>Projects | Totals              |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   |                     |                     | 2014                | 2013                |
| <b>Revenues</b>                                     |                     |                     |                     |                     |
| Local Sources:                                      |                     |                     |                     |                     |
| Tuition   | \$ -                | \$ -                | \$ -                | \$ 3,500            |
| Earnings on Investments                             | 9,426               | 158,179             | 167,605             | 61,109              |
| Food Service  | 2,749,909           | -                   | 2,749,909           | 2,755,899           |
| Other   | 502,705             | 990,959             | 1,493,664           | 526,080             |
| State Sources:                                      |                     |                     |                     |                     |
| Minimum Foundation Program                          | 5,564,457           | -                   | 5,564,457           | 6,143,209           |
| Other   | 3,672,773           | -                   | 3,672,773           | 1,862,240           |
| Federal Sources                                     | 32,894,549          | -                   | 32,894,549          | 40,300,329          |
| <b>Total Revenues</b>                               | <b>45,393,819</b>   | <b>1,149,138</b>    | <b>46,542,957</b>   | <b>51,652,366</b>   |
| <b>Expenditures</b>                                 |                     |                     |                     |                     |
| Current:  |                     |                     |                     |                     |
| Instruction:  |                     |                     |                     |                     |
| Regular Education Programs                          | 1,884,719           | -                   | 1,884,719           | 2,295,635           |
| Special Education Programs                          | 8,270,515           | -                   | 8,270,515           | 5,064,232           |
| Vocational Education Programs                       | 217,681             | -                   | 217,681             | 250,374             |
| Other Instructional Programs                        | 830,470             | -                   | 830,470             | 890,970             |
| Special Programs                                    | 4,575,246           | -                   | 4,575,246           | 8,169,874           |
| Support Services:                                   |                     |                     |                     |                     |
| Pupil Support                                       | 3,002,995           | -                   | 3,002,995           | 3,544,469           |
| Instructional Staff Support                         | 4,671,230           | -                   | 4,671,230           | 5,172,908           |
| General Administration                              | 5,066               | -                   | 5,066               | 4,450               |
| School Administration                               | 7,581               | -                   | 7,581               | 9,023               |
| Operation and Maintenance of Plant                  | 11,349              | 794,324             | 805,673             | 1,039,196           |
| Pupil Transportation                                | 82,208              | -                   | 82,208              | 91,304              |
| Central Services                                    | 60,022              | -                   | 60,022              | 58,672              |
| Food Service  | 21,141,666          | -                   | 21,141,666          | 21,300,990          |
| Facilities Acquisition and Construction             | 967,665             | 5,481,007           | 6,448,672           | 7,479,417           |
| <b>Total Expenditures</b>                           | <b>45,728,413</b>   | <b>6,275,331</b>    | <b>52,003,744</b>   | <b>55,371,514</b>   |
| <b>Deficiency of Revenues<br/>Over Expenditures</b> | <b>(334,594)</b>    | <b>(5,126,193)</b>  | <b>(5,460,787)</b>  | <b>(3,719,148)</b>  |
| <b>Other Financing Sources (Uses)</b>               |                     |                     |                     |                     |
| Transfers In  | 2,038,000           | 804,876             | 2,842,876           | 5,240,077           |
| Transfers Out                                       | (1,324,539)         | (18,993,985)        | (20,318,524)        | (1,808,998)         |
| <b>Total Other Financing Sources (Uses)</b>         | <b>713,461</b>      | <b>(18,189,109)</b> | <b>(17,475,648)</b> | <b>3,431,079</b>    |
| <b>Net Change in Fund Balances</b>                  | <b>378,867</b>      | <b>(23,315,302)</b> | <b>(22,936,435)</b> | <b>(288,069)</b>    |
| <b>Fund Balances, Beginning of Year</b>             | <b>2,658,496</b>    | <b>26,029,311</b>   | <b>28,687,807</b>   | <b>8,010,487</b>    |
| <b>Fund Balances, End of Year</b>                   | <b>\$ 3,037,363</b> | <b>\$ 2,714,009</b> | <b>\$ 5,751,372</b> | <b>\$ 7,722,418</b> |

See independent auditor's report.



"Cypress in the Swamp"  
Gabrille Allee-Pope - Grade 5  
LeighAnn McGraw - Teacher  
Little Oak Middle School

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**NON-MAJOR SPECIAL REVENUE FUNDS**

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Non-Major Special Revenue Funds  
Combining Balance Sheet  
June 30, 2014  
With Comparative Totals for June 30, 2013**

|  | NCLB                | IDEA                | TANF                | Vocational<br>Education |
|--|---------------------|---------------------|---------------------|-------------------------|
| <b>Assets</b>                              |                     |                     |                     |                         |
| Cash and Cash Equivalents                  | \$ 1,130,541        | \$ 769,207          | \$ 933,725          | \$ 51,964               |
| Receivables                                |                     |                     |                     |                         |
| Federal                                    | 350,115             | 862,322             | 225,772             | 53,266                  |
| State                                      | -                   | -                   | -                   | -                       |
| Local                                      | -                   | -                   | -                   | -                       |
| Inventory                                  | -                   | -                   | -                   | -                       |
| <b>Total Assets</b>                        | <b>\$ 1,480,656</b> | <b>\$ 1,631,529</b> | <b>\$ 1,159,497</b> | <b>\$ 105,230</b>       |
| <b>Liabilities and Fund Balances</b>       |                     |                     |                     |                         |
| <b>Liabilities</b>                         |                     |                     |                     |                         |
| Salaries and Wages Payable                 | \$ -                | \$ -                | \$ -                | \$ -                    |
| Accounts Payable                           | -                   | -                   | -                   | -                       |
| Due to Other Funds                         | 1,480,656           | 1,631,529           | 1,159,497           | 105,230                 |
| Other Liabilities                          | -                   | -                   | -                   | -                       |
| <b>Total Liabilities</b>                   | <b>1,480,656</b>    | <b>1,631,529</b>    | <b>1,159,497</b>    | <b>105,230</b>          |
| <b>Fund Balances</b>                       |                     |                     |                     |                         |
| Non-Spendable:                             |                     |                     |                     |                         |
| Inventory                                  | -                   | -                   | -                   | -                       |
| Restricted for:                            |                     |                     |                     |                         |
| Food Service                               | -                   | -                   | -                   | -                       |
| Committed for:                             |                     |                     |                     |                         |
| Special Programs                           | -                   | -                   | -                   | -                       |
| <b>Total Fund Balances</b>                 | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>                |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 1,480,656</b> | <b>\$ 1,631,529</b> | <b>\$ 1,159,497</b> | <b>\$ 105,230</b>       |

See independent auditor's report.

Exhibit 3

| Miscellaneous<br>Programs | 8G                | School<br>Food Service | CDBG        | Totals              |                      |
|---------------------------|-------------------|------------------------|-------------|---------------------|----------------------|
|                           |                   |                        |             | 2014                | 2013                 |
| \$ 2,049,748              | \$ 237,713        | \$ 779,128             | \$ -        | \$ 5,952,026        | \$ 5,713,100         |
| 333,687                   | -                 | 990,601                | -           | 2,815,763           | 5,381,390            |
| 323,698                   | 31,076            | -                      | -           | 354,774             | 263,655              |
| -                         | -                 | 4,040                  | -           | 4,040               | -                    |
| -                         | -                 | 463,488                | -           | 463,488             | 443,305              |
| <b>\$ 2,707,133</b>       | <b>\$ 268,789</b> | <b>\$ 2,237,257</b>    | <b>\$ -</b> | <b>\$ 9,590,091</b> | <b>\$ 11,801,450</b> |
|                           |                   |                        |             |                     |                      |
| \$ -                      | \$ -              | \$ 26,348              | \$ -        | \$ 26,348           | \$ -                 |
| 2,910                     | -                 | 203                    | -           | 3,113               | 478,776              |
| 1,788,453                 | 268,789           | -                      | -           | 6,434,154           | 8,566,653            |
| -                         | -                 | 89,113                 | -           | 89,113              | 97,525               |
| <b>1,791,363</b>          | <b>268,789</b>    | <b>115,664</b>         | <b>-</b>    | <b>6,552,728</b>    | <b>9,142,954</b>     |
|                           |                   |                        |             |                     |                      |
| -                         | -                 | 463,488                | -           | 463,488             | 443,305              |
| -                         | -                 | 1,658,105              | -           | 1,658,105           | 1,431,518            |
| 915,770                   | -                 | -                      | -           | 915,770             | 783,673              |
| <b>915,770</b>            | <b>-</b>          | <b>2,121,593</b>       | <b>-</b>    | <b>3,037,363</b>    | <b>2,658,496</b>     |
| <b>\$ 2,707,133</b>       | <b>\$ 268,789</b> | <b>\$ 2,237,257</b>    | <b>\$ -</b> | <b>\$ 9,590,091</b> | <b>\$ 11,801,450</b> |

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Non-Major Special Revenue Funds  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 2014  
With Comparative Totals for the Year Ended June 30, 2013**

|  | NCLB             | IDEA             | TANF             | Vocational<br>Education |
|--|------------------|------------------|------------------|-------------------------|
| <b>Revenues</b>  |                  |                  |                  |                         |
| Local Sources:   |                  |                  |                  |                         |
| Tuition  | \$ -             | \$ -             | \$ -             | \$ -                    |
| Earnings on Investments                                      | -                | -                | -                | -                       |
| Food Service   | -                | -                | -                | -                       |
| Other  | -                | -                | -                | -                       |
| State Sources:   |                  |                  |                  |                         |
| Equalization (MFP)   | -                | -                | -                | -                       |
| Other  | -                | -                | -                | -                       |
| Federal Sources  | 7,371,148        | 8,826,141        | 2,050,592        | 374,644                 |
| <b>Total Revenues</b>  | <b>7,371,148</b> | <b>8,826,141</b> | <b>2,050,592</b> | <b>374,644</b>          |
| <b>Expenditures</b>  |                  |                  |                  |                         |
| Current:   |                  |                  |                  |                         |
| Instruction:   |                  |                  |                  |                         |
| Regular Education Programs                                   | 988,108          | -                | -                | -                       |
| Special Education Programs                                   | 3,596,889        | 4,430,921        | -                | -                       |
| Vocational Education programs                                | -                | -                | -                | 217,681                 |
| Other Instructional Programs                                 | -                | -                | 105,000          | -                       |
| Special Programs   | -                | -                | 1,945,592        | -                       |
| Support Services:  |                  |                  |                  |                         |
| Pupil Support  | 329,085          | 2,368,868        | -                | 156,963                 |
| Instructional Staff Support                                  | 1,970,941        | 1,447,340        | -                | -                       |
| General Administration                                       | 2,104            | 2,707            | -                | -                       |
| School Administration  | 7,581            | -                | -                | -                       |
| Operation and Maintenance of Plant                           | 4,458            | 300              | -                | -                       |
| Pupil Transportation   | 989              | 78,557           | -                | -                       |
| Central Services   | 60,022           | -                | -                | -                       |
| Food Service   | -                | -                | -                | -                       |
| Facilities Acquisition and Construction                      | -                | -                | -                | -                       |
| <b>Total Expenditures</b>                                    | <b>6,960,177</b> | <b>8,328,693</b> | <b>2,050,592</b> | <b>374,644</b>          |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <b>410,971</b>   | <b>497,448</b>   | <b>-</b>         | <b>-</b>                |
| <b>Other Financing Sources (Uses)</b>                        |                  |                  |                  |                         |
| Transfers In   |                  |                  |                  |                         |
| Transfers Out  | (410,971)        | (497,448)        | -                | -                       |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>(410,971)</b> | <b>(497,448)</b> | <b>-</b>         | <b>-</b>                |
| <b>Net Change in Fund Balances</b>                           | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>                |
| <b>Fund Balances, Beginning of Year</b>                      | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>                |
| <b>Fund Balances, End of Year</b>                            | <b>\$ -</b>      | <b>\$ -</b>      | <b>\$ -</b>      | <b>\$ -</b>             |

See independent auditor's report.



Exhibit 4

| Miscellaneous<br>Programs | 8G      | School<br>Food Service | CDBG      | Totals                   |                          |
|---------------------------|---------|------------------------|-----------|--------------------------|--------------------------|
|                           |         |                        |           | 2014                     | 2013                     |
| \$ -                      | \$ -    | \$ -                   | \$ -      | \$ -                     | \$ 3,500                 |
| -                         | -       | 9,426                  | -         | 9,426                    | 11,658                   |
| -                         | -       | 2,749,909              | -         | 2,749,909                | 2,755,899                |
| 393,252                   | -       | 109,453                | -         | 502,705                  | 524,063                  |
| -                         | -       | 5,564,457              | -         | 5,564,457                | 6,143,209                |
| 3,328,429                 | 344,344 | -                      | -         | 3,672,773                | 1,862,240                |
| 2,085,223                 | -       | 11,134,260             | 1,052,541 | 32,894,549               | 40,300,329               |
| 5,806,904                 | 344,344 | 19,567,505             | 1,052,541 | 45,393,819               | 51,600,898               |
| 896,611                   | -       | -                      | -         | 1,884,719                | 2,295,635                |
| 242,705                   | -       | -                      | -         | 8,270,515                | 5,064,232                |
| -                         | -       | -                      | -         | 217,681                  | 250,374                  |
| 725,470                   | -       | -                      | -         | 830,470                  | 890,970                  |
| 2,285,310                 | 344,344 | -                      | -         | 4,575,246                | 8,169,874                |
| 148,079                   | -       | -                      | -         | 3,002,995                | 3,544,469                |
| 1,252,949                 | -       | -                      | -         | 4,671,230                | 5,172,908                |
| 255                       | -       | -                      | -         | 5,066                    | 4,450                    |
| -                         | -       | -                      | -         | 7,581                    | 9,023                    |
| 6,591                     | -       | -                      | -         | 11,349                   | 187,591                  |
| 2,662                     | -       | -                      | -         | 82,208                   | 91,304                   |
| -                         | -       | -                      | -         | 60,022                   | 58,672                   |
| -                         | -       | 21,141,666             | -         | 21,141,666               | 21,300,990               |
| -                         | -       | -                      | 967,665   | 967,665                  | 4,835,997                |
| 5,560,632                 | 344,344 | 21,141,666             | 967,665   | 45,728,413               | 51,876,489               |
| 246,272                   | -       | (1,574,161)            | 84,876    | (334,594)                | (275,591)                |
| (114,175)                 | -       | 2,038,000<br>(217,069) | (84,876)  | 2,038,000<br>(1,324,539) | 2,219,368<br>(1,426,920) |
| (114,175)                 | -       | 1,820,931              | (84,876)  | 713,461                  | 792,448                  |
| 132,097                   | -       | 246,770                | -         | 378,867                  | 516,857                  |
| 783,673                   | -       | 1,874,823              | -         | 2,658,496                | 2,141,639                |
| \$ 915,770                | \$ -    | \$ 2,121,593           | \$ -      | \$ 3,037,363             | \$ 2,658,496             |

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Exhibit 5**

**Non-Major Special Revenue Funds  
NCLB Special Revenue Fund  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2014**

|   | <b>Budget</b>    | <b>Actual</b>    | <b>Variance<br/>from<br/>Budget</b> |
|---|------------------|------------------|-------------------------------------|
| <b>Revenues</b>                                 |                  |                  |                                     |
| Federal Sources                                 | \$ 7,371,148     | \$ 7,371,148     | \$ -                                |
| <b>Total Revenues</b>                           | <u>7,371,148</u> | <u>7,371,148</u> | <u>-</u>                            |
| <b>Expenditures</b>                             |                  |                  |                                     |
| Instruction:                                    |                  |                  |                                     |
| Regular Education Programs                      | 988,108          | 988,108          | -                                   |
| Special Programs                                | 3,596,889        | 3,596,889        | -                                   |
| Support Services:                               |                  |                  |                                     |
| Pupil Support                                   | 329,085          | 329,085          | -                                   |
| Instructional Staff Support                     | 1,970,941        | 1,970,941        | -                                   |
| General Administration                          | 2,104            | 2,104            | -                                   |
| School Administration                           | 7,581            | 7,581            | -                                   |
| Operation and Maintenance of Plant              | 4,458            | 4,458            | -                                   |
| Pupil Transportation                            | 989              | 989              | -                                   |
| Central Services                                | 60,022           | 60,022           | -                                   |
| <b>Total Expenditures</b>                       | <u>6,960,177</u> | <u>6,960,177</u> | <u>-</u>                            |
| <b>Excess of Revenues Over<br/>Expenditures</b> | <u>410,971</u>   | <u>410,971</u>   | <u>-</u>                            |
| <b>Other Financing Uses</b>                     |                  |                  |                                     |
| Transfers Out                                   | (410,971)        | (410,971)        | -                                   |
| <b>Total Other Financing Uses</b>               | <u>(410,971)</u> | <u>(410,971)</u> | <u>-</u>                            |
| <b>Net Change in Fund Balance</b>               | -                | -                | -                                   |
| <b>Fund Balance, Beginning of Year</b>          | <u>-</u>         | <u>-</u>         | <u>-</u>                            |
| <b>Fund Balance, End of Year</b>                | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>                         |

See independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Exhibit 6**

**IDEA Special Revenue Fund  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2014**

|   | <b>Budget</b>    | <b>Actual</b>    | <b>Variance<br/>from<br/>Budget</b> |
|---|------------------|------------------|-------------------------------------|
| <b>Revenues</b>                                 |                  |                  |                                     |
| Federal Sources                                 | \$ 8,826,141     | \$ 8,826,141     | \$ -                                |
| <b>Total Revenues</b>                           | <b>8,826,141</b> | <b>8,826,141</b> | <b>-</b>                            |
| <b>Expenditures</b>                             |                  |                  |                                     |
| Instruction:                                    |                  |                  |                                     |
| Special Education Programs                      | 4,430,921        | 4,430,921        | -                                   |
| Support Services:                               |                  |                  |                                     |
| Pupil Support                                   | 2,368,868        | 2,368,868        | -                                   |
| Instructional Staff Support                     | 1,447,340        | 1,447,340        | -                                   |
| General Administration                          | 2,707            | 2,707            | -                                   |
| Operation and Maintenance of Plant              | 300              | 300              | -                                   |
| Pupil Transportation                            | 78,557           | 78,557           | -                                   |
| <b>Total Expenditures</b>                       | <b>8,328,693</b> | <b>8,328,693</b> | <b>-</b>                            |
| <b>Excess of Revenues Over<br/>Expenditures</b> | <b>497,448</b>   | <b>497,448</b>   | <b>-</b>                            |
| <b>Other Financing Uses</b>                     |                  |                  |                                     |
| Transfers Out                                   | (497,448)        | (497,448)        | -                                   |
| <b>Total Other Financing Uses</b>               | <b>(497,448)</b> | <b>(497,448)</b> | <b>-</b>                            |
| <b>Net Change in Fund Balance</b>               | <b>-</b>         | <b>-</b>         | <b>-</b>                            |
| <b>Fund Balance, Beginning of Year</b>          | <b>-</b>         | <b>-</b>         | <b>-</b>                            |
| <b>Fund Balance, End of Year</b>                | <b>\$ -</b>      | <b>\$ -</b>      | <b>\$ -</b>                         |

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**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Exhibit 7**

**TANF Special Revenue Fund  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2014**

|  | <b>Budget</b>    | <b>Actual</b>    | <b>Variance<br/>from<br/>Budget</b> |
|--|------------------|------------------|-------------------------------------|
| <b>Revenues</b>                        |                  |                  |                                     |
| Federal Sources                        | \$ 2,050,592     | \$ 2,050,592     | \$ -                                |
| <b>Total Revenues</b>                  | <b>2,050,592</b> | <b>2,050,592</b> | <b>-</b>                            |
| <b>Expenditures</b>                    |                  |                  |                                     |
| Instruction:                           |                  |                  |                                     |
| Other Instructional Programs           | 105,000          | 105,000          | -                                   |
| Special Programs                       | 1,945,592        | 1,945,592        | -                                   |
| <b>Total Expenditures</b>              | <b>2,050,592</b> | <b>2,050,592</b> | <b>-</b>                            |
| <b>Net Change in Fund Balance</b>      | <b>-</b>         | <b>-</b>         | <b>-</b>                            |
| <b>Fund Balance, Beginning of Year</b> | <b>-</b>         | <b>-</b>         | <b>-</b>                            |
| <b>Fund Balance, End of Year</b>       | <b>\$ -</b>      | <b>\$ -</b>      | <b>\$ -</b>                         |

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**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Exhibit 8**

**Vocational Education Special Revenue Fund  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2014**

|  | <b>Budget</b>  | <b>Actual</b>  | <b>Variance<br/>from<br/>Budget</b> |
|--|----------------|----------------|-------------------------------------|
| <b>Revenues</b>                        |                |                |                                     |
| Federal Sources                        | \$ 374,644     | \$ 374,644     | \$ -                                |
| <b>Total Revenues</b>                  | <b>374,644</b> | <b>374,644</b> | <b>-</b>                            |
| <b>Expenditures</b>                    |                |                |                                     |
| Instruction:                           |                |                |                                     |
| Vocational Education Programs          | 217,681        | 217,681        | -                                   |
| Support Services:                      |                |                |                                     |
| Pupil Support                          | 156,963        | 156,963        | -                                   |
| <b>Total Expenditures</b>              | <b>374,644</b> | <b>374,644</b> | <b>-</b>                            |
| <b>Net Change in Fund Balance</b>      | <b>-</b>       | <b>-</b>       | <b>-</b>                            |
| <b>Fund Balance, Beginning of Year</b> | <b>-</b>       | <b>-</b>       | <b>-</b>                            |
| <b>Fund Balance, End of Year</b>       | <b>\$ -</b>    | <b>\$ -</b>    | <b>\$ -</b>                         |

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**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Exhibit 9**

**Miscellaneous Programs Special Revenue Fund  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2014**

|   | <b>Budget</b>     | <b>Actual</b>     | <b>Variance<br/>from<br/>Budget</b> |
|---|-------------------|-------------------|-------------------------------------|
| <b>Revenues</b>                             |                   |                   |                                     |
| Local Sources:                              |                   |                   |                                     |
| Other                                       | \$ 393,252        | \$ 393,252        | \$ -                                |
| State Sources - Other                       | 3,328,429         | 3,328,429         | -                                   |
| Federal Sources                             | 2,085,223         | 2,085,223         | -                                   |
| <b>Total Revenues</b>                       | <b>5,806,904</b>  | <b>5,806,904</b>  | <b>-</b>                            |
| <b>Expenditures</b>                         |                   |                   |                                     |
| Instruction:                                |                   |                   |                                     |
| Regular Education Programs                  | 896,611           | 896,611           | -                                   |
| Special Education Programs                  | 242,705           | 242,705           | -                                   |
| Other Instructional Programs                | 725,470           | 725,470           | -                                   |
| Special Programs                            | 2,285,310         | 2,285,310         | -                                   |
| Support Services:                           |                   |                   |                                     |
| Pupil Support                               | 148,079           | 148,079           | -                                   |
| Instructional Staff Support                 | 1,252,949         | 1,252,949         | -                                   |
| General Administration                      | 255               | 255               | -                                   |
| Operation and Maintenance of Plant          | 6,591             | 6,591             | -                                   |
| Pupil Transportation                        | 2,662             | 2,662             | -                                   |
| <b>Total Expenditures</b>                   | <b>5,560,632</b>  | <b>5,560,632</b>  | <b>-</b>                            |
| <b>Excess of Revenues Over Expenditures</b> | <b>246,272</b>    | <b>246,272</b>    | <b>-</b>                            |
| <b>Other Financing Uses</b>                 |                   |                   |                                     |
| Transfers Out                               | (114,175)         | (114,175)         | -                                   |
| <b>Total Other Financing Uses</b>           | <b>(114,175)</b>  | <b>(114,175)</b>  | <b>-</b>                            |
| <b>Net Change in Fund Balance</b>           | <b>132,097</b>    | <b>132,097</b>    | <b>-</b>                            |
| <b>Fund Balance, Beginning of Year</b>      | <b>783,673</b>    | <b>783,673</b>    | <b>-</b>                            |
| <b>Fund Balance, End of Year</b>            | <b>\$ 915,770</b> | <b>\$ 915,770</b> | <b>\$ -</b>                         |

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**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Exhibit 10**

**8G Special Revenue Fund  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2014**

|  | <b>Budget</b>  | <b>Actual</b>  | <b>Variance<br/>from<br/>Budget</b> |
|--|----------------|----------------|-------------------------------------|
| <b>Revenues</b>                        |                |                |                                     |
| State Sources - Other                  | \$ 344,344     | \$ 344,344     | \$ -                                |
| <b>Total Revenues</b>                  | <u>344,344</u> | <u>344,344</u> | <u>-</u>                            |
| <b>Expenditures</b>                    |                |                |                                     |
| Instruction:                           |                |                |                                     |
| Special Programs                       | <u>344,344</u> | <u>344,344</u> | <u>-</u>                            |
| <b>Total Expenditures</b>              | <u>344,344</u> | <u>344,344</u> | <u>-</u>                            |
| <b>Net Change in Fund Balance</b>      | -              | -              | -                                   |
| <b>Fund Balance, Beginning of Year</b> | <u>-</u>       | <u>-</u>       | <u>-</u>                            |
| <b>Fund Balance, End of Year</b>       | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>                         |

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**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Exhibit 11**

**School Food Service Special Revenue Fund  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2014**

|   | <b>Budget</b>       | <b>Actual</b>       | <b>Variance<br/>from<br/>Budget</b> |
|---|---------------------|---------------------|-------------------------------------|
| <b>Revenues</b>                                     |                     |                     |                                     |
| Local Sources:                                      |                     |                     |                                     |
| Earnings on Investments                             | \$ 9,400            | \$ 9,426            | \$ 26                               |
| Food Service  | 2,750,000           | 2,749,909           | (91)                                |
| Other   | 109,400             | 109,453             | 53                                  |
| State Sources - Equalization                        | 5,564,457           | 5,564,457           | -                                   |
| Federal Sources                                     | 11,079,112          | 11,134,260          | 55,148                              |
| <b>Total Revenues</b>                               | <b>19,512,369</b>   | <b>19,567,505</b>   | <b>55,136</b>                       |
| <b>Expenditures</b>                                 |                     |                     |                                     |
| Food Service  | 21,750,495          | 21,141,666          | 608,829                             |
| <b>Total Expenditures</b>                           | <b>21,750,495</b>   | <b>21,141,666</b>   | <b>608,829</b>                      |
| <b>Deficiency of Revenues<br/>Over Expenditures</b> | <b>(2,238,126)</b>  | <b>(1,574,161)</b>  | <b>663,965</b>                      |
| <b>Other Financing Sources (Uses)</b>               |                     |                     |                                     |
| Transfers In - General Fund                         | 2,038,000           | 2,038,000           | -                                   |
| Transfers Out - General Fund                        | (217,069)           | (217,069)           | -                                   |
| <b>Total Other Financing Sources (Uses)</b>         | <b>1,820,931</b>    | <b>1,820,931</b>    | <b>-</b>                            |
| <b>Net Change in Fund Balance</b>                   | <b>(417,195)</b>    | <b>246,770</b>      | <b>663,965</b>                      |
| <b>Fund Balance, Beginning of Year</b>              | <b>1,874,823</b>    | <b>1,874,823</b>    | <b>-</b>                            |
| <b>Fund Balance, End of Year</b>                    | <b>\$ 1,457,628</b> | <b>\$ 2,121,593</b> | <b>\$ 663,965</b>                   |

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**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Exhibit 12**

**Community Development Block Grant (CDBG) Special Revenue Fund  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2014**

|   | <b>Budget</b>    | <b>Actual</b>    | <b>Variance<br/>from<br/>Budget</b> |
|---|------------------|------------------|-------------------------------------|
| <b>Revenues</b>                                 |                  |                  |                                     |
| Federal Sources                                 | \$ 1,052,541     | \$ 1,052,541     | \$ -                                |
| <b>Total Revenues</b>                           | <u>1,052,541</u> | <u>1,052,541</u> | <u>-</u>                            |
| <b>Expenditures</b>                             |                  |                  |                                     |
| Architects and Engineers                        | 13,647           | 13,647           | -                                   |
| Building and Site Improvements                  | 954,018          | 954,018          | -                                   |
| <b>Total Expenditures</b>                       | <u>967,665</u>   | <u>967,665</u>   | <u>-</u>                            |
| <b>Excess of Revenues<br/>Over Expenditures</b> | <u>84,876</u>    | <u>84,876</u>    | <u>-</u>                            |
| <b>Other Financing Uses</b>                     |                  |                  |                                     |
| Transfers Out - Parish Wide                     | (84,876)         | (84,876)         | -                                   |
| <b>Total Other Financing Uses</b>               | <u>(84,876)</u>  | <u>(84,876)</u>  | <u>-</u>                            |
| <b>Net Change in Fund Balance</b>               | -                | -                | -                                   |
| <b>Fund Balance, Beginning of Year</b>          | <u>-</u>         | <u>-</u>         | <u>-</u>                            |
| <b>Fund Balance, End of Year</b>                | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>                         |

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**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**NON-MAJOR CAPITAL PROJECTS FUNDS**

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Exhibit 13**

**Non-Major Capital Projects Funds  
Combining Balance Sheet  
June 30, 2014  
With Comparative Totals for June 30, 2013**

|  | 2008<br>Construction | Re-Roofing<br>Construction | Parishwide<br>Construction | Totals       |              |
|--|----------------------|----------------------------|----------------------------|--------------|--------------|
|  |                      |                            |                            | 2014         | 2013         |
| <b>Assets</b>                                  |                      |                            |                            |              |              |
| Cash and Cash Equivalents                      | \$ -                 | \$ 1,432,217               | \$ 1,905,359               | \$ 3,337,576 | \$ 5,945,736 |
| <b>Total Assets</b>                            | \$ -                 | \$ 1,432,217               | \$ 1,905,359               | \$ 3,337,576 | \$ 5,945,736 |
| <b>Liabilities and Fund Balances</b>           |                      |                            |                            |              |              |
| <b>Liabilities</b>                             |                      |                            |                            |              |              |
| Accounts Payable                               | \$ -                 | \$ 418,806                 | \$ 55,753                  | \$ 474,559   | \$ 799,659   |
| Contracts and Retainage Payable                | -                    | 119,388                    | 29,620                     | 149,008      | 82,155       |
| <b>Total Liabilities</b>                       | -                    | 538,194                    | 85,373                     | 623,567      | 881,814      |
| <b>Fund Balances</b>                           |                      |                            |                            |              |              |
| Assigned for:<br>Construction                  | -                    | 894,023                    | 1,819,986                  | 2,714,009    | 5,063,922    |
| <b>Total Fund Balances</b>                     | -                    | 894,023                    | 1,819,986                  | 2,714,009    | 5,063,922    |
| <b>Total Liabilities and<br/>Fund Balances</b> | \$ -                 | \$ 1,432,217               | \$ 1,905,359               | \$ 3,337,576 | \$ 5,945,736 |

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"Swamp Scene"

Anthony Bosco - Grade 5

Robyn Kennedy - Teacher

Mandeville Middle School

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Exhibit 14**

**Non-Major Capital Projects Funds  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 2014  
With Comparative Totals for the Year Ended June 30, 2013**

|   | 2008<br>Construction | Re-Roofing<br>Construction | Parish Wide<br>Construction | Totals              |                     |
|---|----------------------|----------------------------|-----------------------------|---------------------|---------------------|
|   |                      |                            |                             | 2014                | 2013                |
| <b>Revenues</b>                                     |                      |                            |                             |                     |                     |
| Earnings on Investments                             | \$ 121,897           | \$ 18,399                  | \$ 17,883                   | \$ 158,179          | \$ 49,451           |
| Other   | -                    | -                          | 990,959                     | 990,959             | 2,017               |
| <b>Total Revenues</b>                               | <b>121,897</b>       | <b>18,399</b>              | <b>1,008,842</b>            | <b>1,149,138</b>    | <b>51,468</b>       |
| <b>Expenditures</b>                                 |                      |                            |                             |                     |                     |
| Operation and Maintenance of Plant:                 |                      |                            |                             |                     |                     |
| Repairs and Maintenance                             | 38,981               | 19,774                     | 708,694                     | 767,449             | 830,255             |
| Rental of Land and Buildings                        | -                    | -                          | 26,875                      | 26,875              | 21,350              |
| Facilities Acquisition and Construction:            |                      |                            |                             |                     |                     |
| Architects and Engineers                            | 96,410               | 128,370                    | 114,408                     | 339,188             | 289,995             |
| Building and Site Improvements                      | 1,946,136            | 1,714,391                  | 965,714                     | 4,626,241           | 452,009             |
| Construction Contracts                              | -                    | -                          | -                           | -                   | 1,901,416           |
| Land Acquisition                                    | -                    | -                          | 336,340                     | 336,340             | -                   |
| Equipment   | 11,774               | -                          | 167,464                     | 179,238             | -                   |
| <b>Total Expenditures</b>                           | <b>2,093,301</b>     | <b>1,862,535</b>           | <b>2,319,495</b>            | <b>6,275,331</b>    | <b>3,495,025</b>    |
| <b>Deficiency of Revenues<br/>Over Expenditures</b> | <b>(1,971,404)</b>   | <b>(1,844,136)</b>         | <b>(1,310,653)</b>          | <b>(5,126,193)</b>  | <b>(3,443,557)</b>  |
| <b>Other Financing Sources (Uses)</b>               |                      |                            |                             |                     |                     |
| Transfers In  | -                    | -                          | 804,876                     | 804,876             | 3,020,709           |
| Transfers Out                                       | (18,993,985)         | -                          | -                           | (18,993,985)        | (382,078)           |
| <b>Total Other Financing<br/>Sources (Uses)</b>     | <b>(18,993,985)</b>  | <b>-</b>                   | <b>804,876</b>              | <b>(18,189,109)</b> | <b>2,638,631</b>    |
| <b>Net Change in Fund Balances</b>                  | <b>(20,965,389)</b>  | <b>(1,844,136)</b>         | <b>(505,777)</b>            | <b>(23,315,302)</b> | <b>(804,926)</b>    |
| <b>Fund Balances, Beginning of Year</b>             | <b>20,965,389</b>    | <b>2,738,159</b>           | <b>2,325,763</b>            | <b>26,029,311</b>   | <b>5,868,848</b>    |
| <b>Fund Balances, End of Year</b>                   | <b>\$ -</b>          | <b>\$ 894,023</b>          | <b>\$ 1,819,986</b>         | <b>\$ 2,714,009</b> | <b>\$ 5,063,922</b> |

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**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Exhibit 15**

**2008 Construction Capital Projects Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2014**

|   | <b>Budget</b>       | <b>Actual</b>       | <b>Variance<br/>from<br/>Budget</b> |
|---|---------------------|---------------------|-------------------------------------|
| <b>Revenues</b>                                     |                     |                     |                                     |
| Earnings on Investments                             | \$ 121,897          | \$ 121,897          | \$ -                                |
| <b>Total Revenues</b>                               | <b>121,897</b>      | <b>121,897</b>      | <b>-</b>                            |
| <b>Expenditures</b>                                 |                     |                     |                                     |
| Operation and Maintenance of Plant:                 |                     |                     |                                     |
| Repairs and Maintenance                             | 38,981              | 38,981              | -                                   |
| Facilities Acquisition and Construction:            |                     |                     |                                     |
| Architects and Engineers                            | 96,410              | 96,410              | -                                   |
| Building and Site Improvements                      | 1,946,136           | 1,946,136           | -                                   |
| Equipment   | 11,774              | 11,774              | -                                   |
| <b>Total Expenditures</b>                           | <b>2,093,301</b>    | <b>2,093,301</b>    | <b>-</b>                            |
| <b>Deficiency of Revenues Over<br/>Expenditures</b> | <b>(1,971,404)</b>  | <b>(1,971,404)</b>  | <b>-</b>                            |
| <b>Other Financing Uses</b>                         |                     |                     |                                     |
| Transfers Out - 2013 Construction                   | (18,993,985)        | (18,993,985)        | -                                   |
| <b>Total Other Financing Uses</b>                   | <b>(18,993,985)</b> | <b>(18,993,985)</b> | <b>-</b>                            |
| <b>Net Change in Fund Balance</b>                   | <b>(20,965,389)</b> | <b>(20,965,389)</b> | <b>-</b>                            |
| <b>Fund Balance, Beginning of Year</b>              | <b>20,965,389</b>   | <b>20,965,389</b>   | <b>-</b>                            |
| <b>Fund Balance, End of Year</b>                    | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>                         |

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**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Exhibit 16**

**Re-Roofing Construction Capital Projects Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2014**

|  | <b>Budget</b>      | <b>Actual</b>      | <b>Variance<br/>from<br/>Budget</b> |
|--|--------------------|--------------------|-------------------------------------|
| <b>Revenues</b>                          |                    |                    |                                     |
| Earnings on Investments                  | \$ 18,400          | \$ 18,399          | \$ (1)                              |
| <b>Total Revenues</b>                    | <b>18,400</b>      | <b>18,399</b>      | <b>(1)</b>                          |
| <b>Expenditures</b>                      |                    |                    |                                     |
| Operation and Maintenance of Plant:      |                    |                    |                                     |
| Repairs and Maintenance                  | 200,000            | 19,774             | 180,226                             |
| Facilities Acquisition and Construction: |                    |                    |                                     |
| Architects and Engineers                 | 305,000            | 128,370            | 176,630                             |
| Building and Site Improvements           | 2,250,000          | 1,714,391          | 535,609                             |
| <b>Total Expenditures</b>                | <b>2,755,000</b>   | <b>1,862,535</b>   | <b>892,465</b>                      |
| <b>Net Change in Fund Balance</b>        | <b>(2,736,600)</b> | <b>(1,844,136)</b> | <b>892,464</b>                      |
| <b>Fund Balance, Beginning of Year</b>   | <b>2,738,159</b>   | <b>2,738,159</b>   | <b>-</b>                            |
| <b>Fund Balance, End of Year</b>         | <b>\$ 1,559</b>    | <b>\$ 894,023</b>  | <b>\$ 892,464</b>                   |

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**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Exhibit 17**

**Parish Wide Construction Capital Projects Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2014**

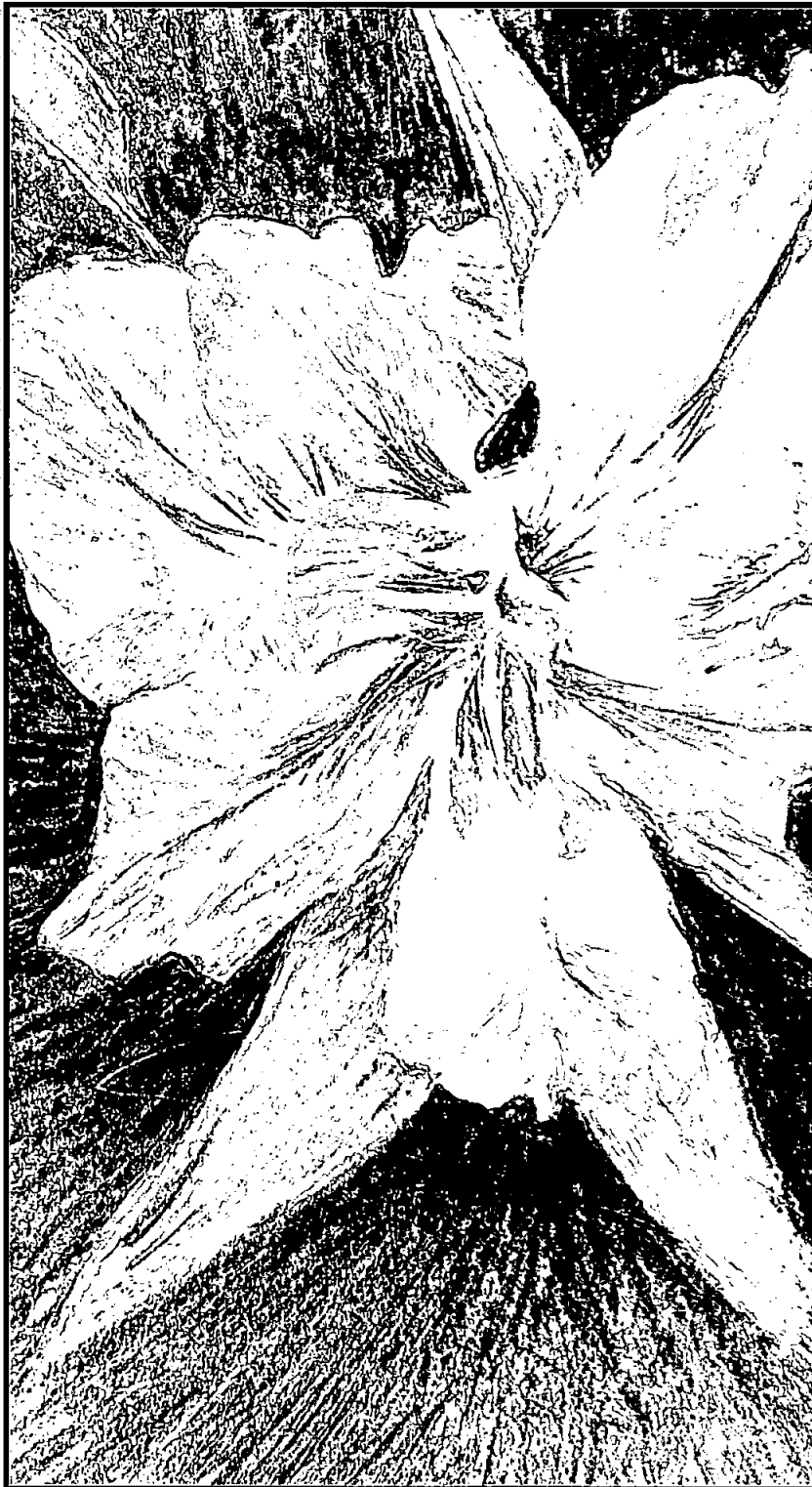
|   | <b>Budget</b>      | <b>Actual</b>       | <b>Variance<br/>from<br/>Budget</b> |
|---|--------------------|---------------------|-------------------------------------|
| <b>Revenues</b>                                 |                    |                     |                                     |
| Earnings on Investments                         | \$ 17,800          | \$ 17,883           | \$ 83                               |
| Other   | 990,927            | 990,959             | 32                                  |
| <b>Total Revenues</b>                           | <b>1,008,727</b>   | <b>1,008,842</b>    | <b>115</b>                          |
| <b>Expenditures</b>                             |                    |                     |                                     |
| Operation and Maintenance of Plant:             |                    |                     |                                     |
| Repairs and Maintenance                         | 1,192,826          | 708,694             | 484,132                             |
| Rental of Land and Buldings                     | 27,000             | 26,875              | 125                                 |
| Facilities Acquisition and Construction:        |                    |                     |                                     |
| Architects and Engineers                        | 200,000            | 114,408             | 85,592                              |
| Building and Site Improvements                  | 1,500,000          | 965,714             | 534,286                             |
| Land Acquisition                                | 374,000            | 336,340             | 37,660                              |
| Equipment                                       | 100,000            | 167,464             | (67,464)                            |
| <b>Total Expenditures</b>                       | <b>3,393,826</b>   | <b>2,319,495</b>    | <b>1,074,331</b>                    |
| <b>Deficiency of Revenues Over Expenditures</b> | <b>(2,385,099)</b> | <b>(1,310,653)</b>  | <b>1,074,446</b>                    |
| <b>Other Financing Sources</b>                  |                    |                     |                                     |
| Transfers In - General Fund                     | 720,000            | 720,000             | -                                   |
| Transfers In - CDBG                             | 84,876             | 84,876              | -                                   |
| <b>Total Other Financing Sources</b>            | <b>804,876</b>     | <b>804,876</b>      | <b>-</b>                            |
| <b>Net Change in Fund Balance</b>               | <b>(1,580,223)</b> | <b>(505,777)</b>    | <b>1,074,446</b>                    |
| <b>Fund Balance, Beginning of Year</b>          | <b>2,325,763</b>   | <b>2,325,763</b>    | <b>-</b>                            |
| <b>Fund Balance, End of Year</b>                | <b>\$ 745,540</b>  | <b>\$ 1,819,986</b> | <b>\$ 1,074,446</b>                 |

See independent auditor's report.





"Belted Kingfisher"  
Katie Impastato - Grade 8  
Lynda Thurlow - Teacher  
Madisonville Jr. High School



"Blue Iris"

Sara Hossain - Grade 6  
Robyn Kennedy - Teacher  
Mandeville Middle School

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**NON-MAJOR INTERNAL SERVICE FUNDS**

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Exhibit 18**

**Non-Major Internal Service Funds  
Combining Statement of Net Position  
June 30, 2014**

|   | <b>Workers'<br/>Compensation</b> | <b>Risk<br/>Management</b> | <b>Total<br/>June 30,<br/>2014</b> |
|---|----------------------------------|----------------------------|------------------------------------|
| <b>Current Assets</b>                     |                                  |                            |                                    |
| Cash and Cash Equivalents                 | \$ 8,618,237                     | \$ 2,457,304               | \$ 11,075,541                      |
| Investments                               | 950,000                          | -                          | 950,000                            |
| Accounts Receivable                       | -                                | 38,250                     | 38,250                             |
| <b>Total Assets</b>                       | <b>\$ 9,568,237</b>              | <b>\$ 2,495,554</b>        | <b>\$ 12,063,791</b>               |
| <b>Liabilities and Net Position</b>       |                                  |                            |                                    |
| <b>Current Liabilities</b>                |                                  |                            |                                    |
| Accounts Payable                          | \$ 75,162                        | \$ 40,999                  | \$ 116,161                         |
| Benefit Claims Payable                    | 4,133,369                        | -                          | 4,133,369                          |
| Claims Liability                          | -                                | 541,955                    | 541,955                            |
| <b>Total Current Liabilities</b>          | <b>4,208,531</b>                 | <b>582,954</b>             | <b>4,791,485</b>                   |
| <b>Long-Term Liabilities</b>              |                                  |                            |                                    |
| Benefit Claims Payable                    | 4,349,901                        | -                          | 4,349,901                          |
| Claims Liability                          | -                                | 1,074,126                  | 1,074,126                          |
| <b>Total Long-Term Liabilities</b>        | <b>4,349,901</b>                 | <b>1,074,126</b>           | <b>5,424,027</b>                   |
| <b>Total Liabilities</b>                  | <b>8,558,432</b>                 | <b>1,657,080</b>           | <b>10,215,512</b>                  |
| <b>Net Position</b>                       |                                  |                            |                                    |
| Restricted for Employee Benefits          | 1,009,805                        | -                          | 1,009,805                          |
| Unrestricted                              | -                                | 838,474                    | 838,474                            |
| <b>Total Net Position</b>                 | <b>1,009,805</b>                 | <b>838,474</b>             | <b>1,848,279</b>                   |
| <b>Total Liabilities and Net Position</b> | <b>\$ 9,568,237</b>              | <b>\$ 2,495,554</b>        | <b>\$ 12,063,791</b>               |

See independent auditor's report.

**Non-Major Internal Service Funds  
Combining Statement of Revenues, Expenses, and  
Changes in Net Position  
For the Year Ended June 30, 2014**

|  | <b>Workers'</b>     | <b>Risk</b>       | <b>Total</b>             |
|--|---------------------|-------------------|--------------------------|
|  | <b>Compensation</b> | <b>Management</b> | <b>June 30,<br/>2014</b> |
| <b>Operating Revenues</b>                              |                     |                   |                          |
| Employer/Employee Contributions                        | \$ 3,518,868        | \$ 2,126,285      | \$ 5,645,153             |
| Decrease in Incurred but not Reported<br>(IBNR) Claims | 243,389             | 478,132           | 721,521                  |
| <b>Total Operating Revenues</b>                        | <b>3,762,257</b>    | <b>2,604,417</b>  | <b>6,366,674</b>         |
| <b>Operating Expenses</b>                              |                     |                   |                          |
| Administrative   | 26,141              | 152,533           | 178,674                  |
| Contractual Services                                   | 248,525             | 162,882           | 411,407                  |
| Premium Payments                                       | -                   | 1,596,681         | 1,596,681                |
| Benefit Payments                                       | 4,667,286           | -                 | 4,667,286                |
| Claims   | -                   | 806,464           | 806,464                  |
| <b>Total Operating Expenses</b>                        | <b>4,941,952</b>    | <b>2,718,560</b>  | <b>7,660,512</b>         |
| <b>Operating Loss</b>                                  | <b>(1,179,695)</b>  | <b>(114,143)</b>  | <b>(1,293,838)</b>       |
| <b>Non-Operating Revenue</b>                           |                     |                   |                          |
| Earnings on Investments                                | 68,450              | 6,703             | 75,153                   |
| <b>Total Non-Operating Revenue</b>                     | <b>68,450</b>       | <b>6,703</b>      | <b>75,153</b>            |
| <b>Changes in Net Position</b>                         | <b>(1,111,245)</b>  | <b>(107,440)</b>  | <b>(1,218,685)</b>       |
| <b>Net Position, Beginning of Year</b>                 | <b>2,121,050</b>    | <b>945,914</b>    | <b>3,066,964</b>         |
| <b>Net Position, End of Year</b>                       | <b>\$ 1,009,805</b> | <b>\$ 838,474</b> | <b>\$ 1,848,279</b>      |

See independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Exhibit 20**

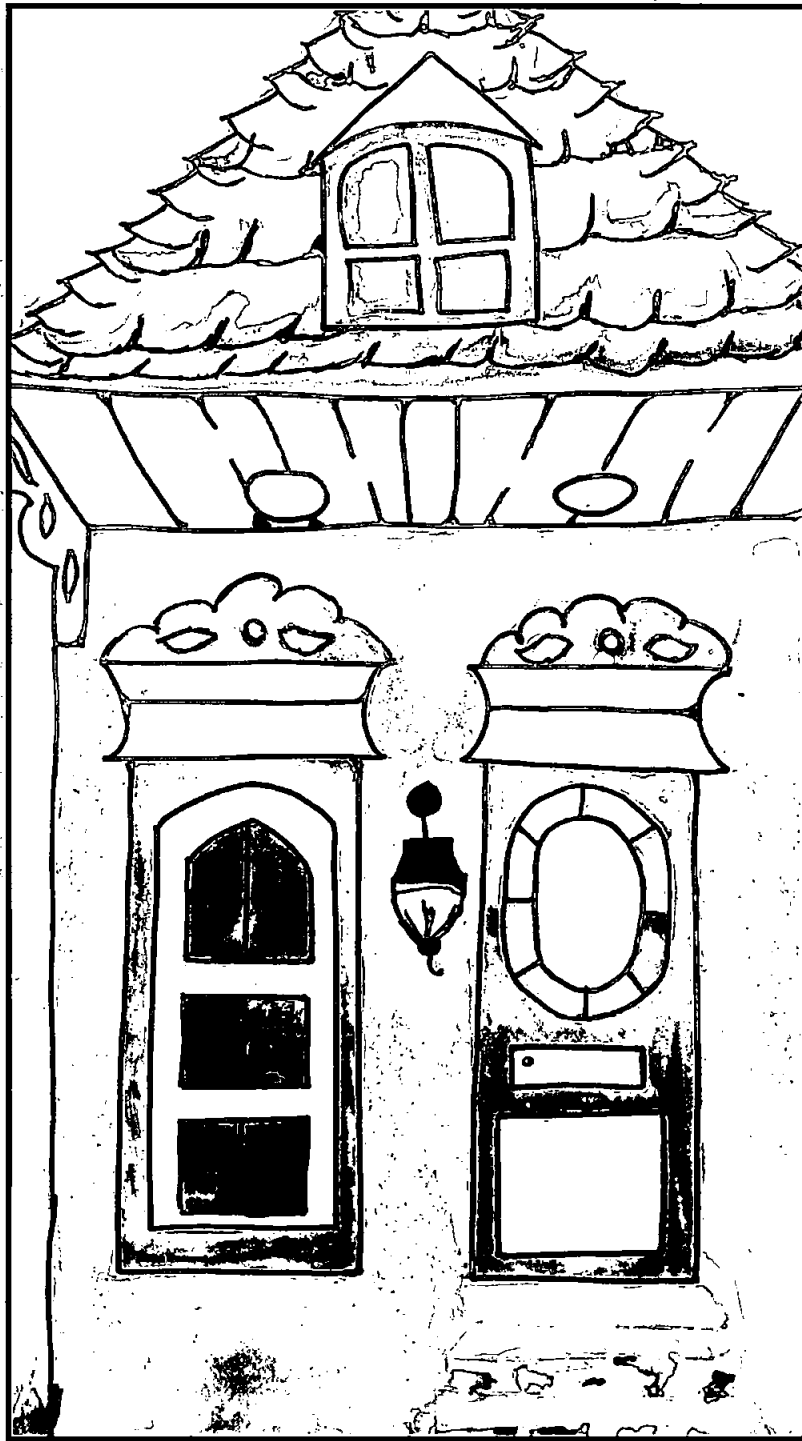
**Non-Major Internal Service Funds  
Combining Statement of Cash Flows  
For the Year Ended June 30, 2014**

|   | <b>Workers'<br/>Compensation</b> | <b>Risk<br/>Management</b> | <b>Total<br/>June 30,<br/>2014</b> |
|---|----------------------------------|----------------------------|------------------------------------|
| <b>Cash Flows from Operating Activities</b>   |                                  |                            |                                    |
| Receipts from Employer and Employee Contributions                                     | \$ 3,522,582                     | \$ 2,152,708               | \$ 5,675,290                       |
| Payments for Benefits and Claims  | (4,667,286)                      | (806,464)                  | (5,473,750)                        |
| Payments for Insurance Premiums   | -                                | (1,596,681)                | (1,596,681)                        |
| Payments for Administrative and Contractual Services                                  | (266,985)                        | (318,130)                  | (585,115)                          |
| <b>Net Cash Used in<br/>Operating Activities</b>                                      | <b>(1,411,689)</b>               | <b>(568,567)</b>           | <b>(1,980,256)</b>                 |
| <b>Cash Flows From Investing Activities</b>   |                                  |                            |                                    |
| Earnings on Cash and Investments  | 68,450                           | 6,703                      | 75,153                             |
| <b>Net Cash Provided by Investing Activities</b>                                      | <b>68,450</b>                    | <b>6,703</b>               | <b>75,153</b>                      |
| <b>Net Decrease in Cash and Cash Equivalents</b>                                      | <b>(1,343,239)</b>               | <b>(561,864)</b>           | <b>(1,905,103)</b>                 |
| <b>Cash and Cash Equivalents, Beginning of Year</b>                                   | <b>9,961,476</b>                 | <b>3,019,168</b>           | <b>12,980,644</b>                  |
| <b>Cash and Cash Equivalents, End of Year</b>   | <b>\$ 8,618,237</b>              | <b>\$ 2,457,304</b>        | <b>\$ 11,075,541</b>               |
| <b>Reconciliation of Operating Loss to Net Cash<br/>Used in Operating Activities:</b> |                                  |                            |                                    |
| Operating Loss  | \$ (1,179,695)                   | \$ (114,143)               | \$ (1,293,838)                     |
| Adjustments to Reconcile Operating Loss<br>to Net Cash Used in Operating Activities:  |                                  |                            |                                    |
| Decrease in Incurred but<br>Not Reported (IBNR) Claims                                | (243,389)                        | (478,132)                  | (721,521)                          |
| Decrease in Receivables   | 3,714                            | 26,423                     | 30,137                             |
| Increase (Decrease) in Payables   | 7,681                            | (2,715)                    | 4,966                              |
| <b>Total Adjustments</b>  | <b>(231,994)</b>                 | <b>(454,424)</b>           | <b>(686,418)</b>                   |
| <b>Net Cash Used in<br/>Operating Activities</b>                                      | <b>\$ (1,411,689)</b>            | <b>\$ (568,567)</b>        | <b>\$ (1,980,256)</b>              |

See independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**NON-MAJOR SCHOOL ACTIVITY AGENCY FUNDS**



"The Happy Home"  
Sara Wolfe - Grade 10  
Shelley Hickman - Teacher  
Covington High School



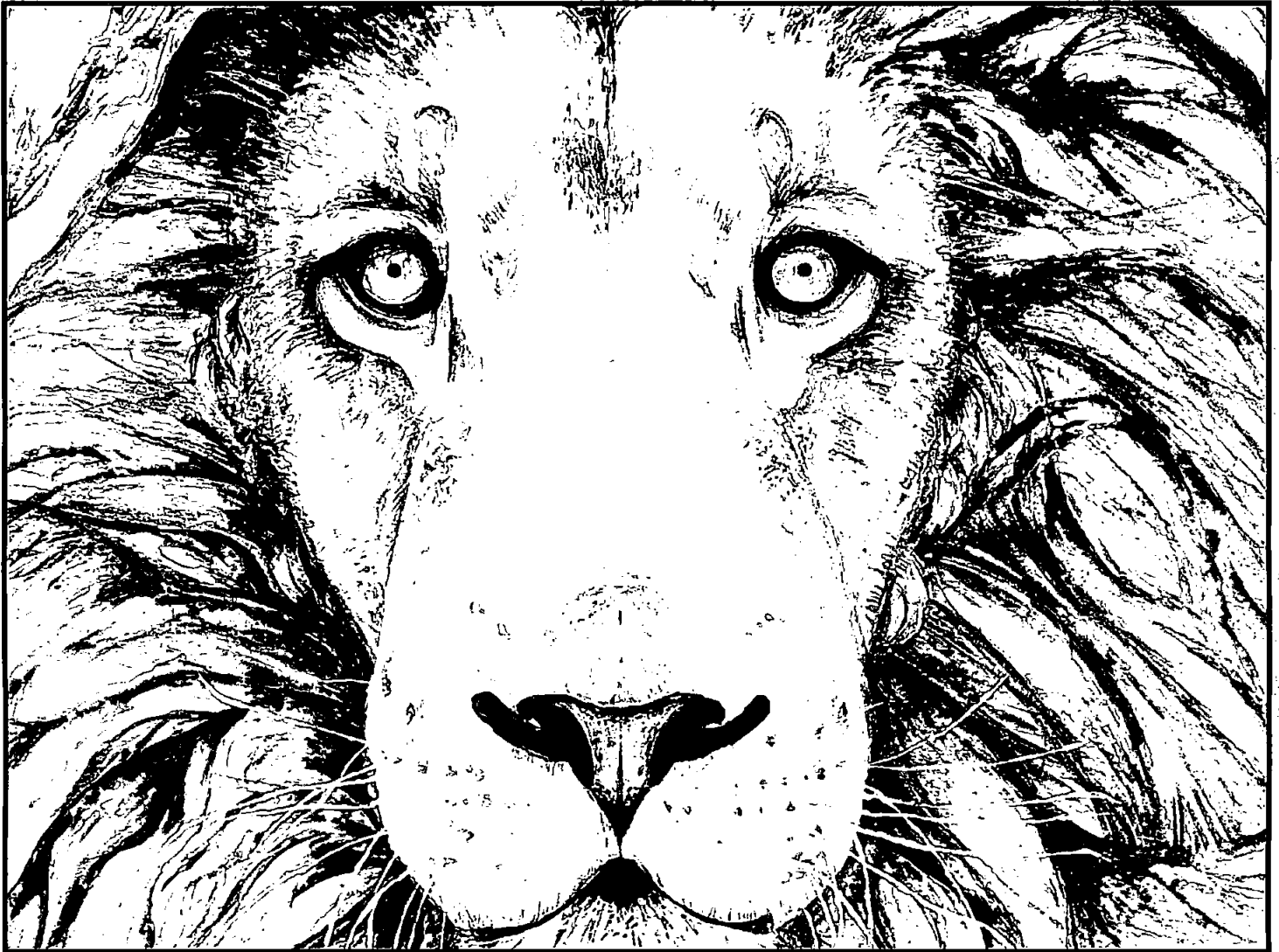
**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Exhibit 21**

**Non-Major School Activity Agency Funds  
Statement of Changes in Fiduciary Assets and Liabilities  
For the Year Ended June 30, 2014**

|                           | Balance<br>June 30, 2013 | Additions            | Deductions           | Balance<br>June 30, 2014 |
|---------------------------|--------------------------|----------------------|----------------------|--------------------------|
| <b>Assets</b>             |                          |                      |                      |                          |
| Cash and Cash Equivalents | \$ 5,899,671             | \$ 14,983,745        | \$ 14,497,542        | \$ 6,385,874             |
| Investments               | 641,049                  | 963                  | 223,746              | 418,266                  |
| <b>Total Assets</b>       | <b>\$ 6,540,720</b>      | <b>\$ 14,984,708</b> | <b>\$ 14,721,288</b> | <b>\$ 6,804,140</b>      |
| <b>Liabilities</b>        |                          |                      |                      |                          |
| Accounts Payable          | \$ 70,417                | \$ 105,700           | \$ 47,125            | \$ 128,992               |
| Due to Schools            | 6,470,303                | 14,879,008           | 14,674,163           | 6,675,148                |
| <b>Total Liabilities</b>  | <b>\$ 6,540,720</b>      | <b>\$ 14,984,708</b> | <b>\$ 14,721,288</b> | <b>\$ 6,804,140</b>      |

See independent auditor's report.

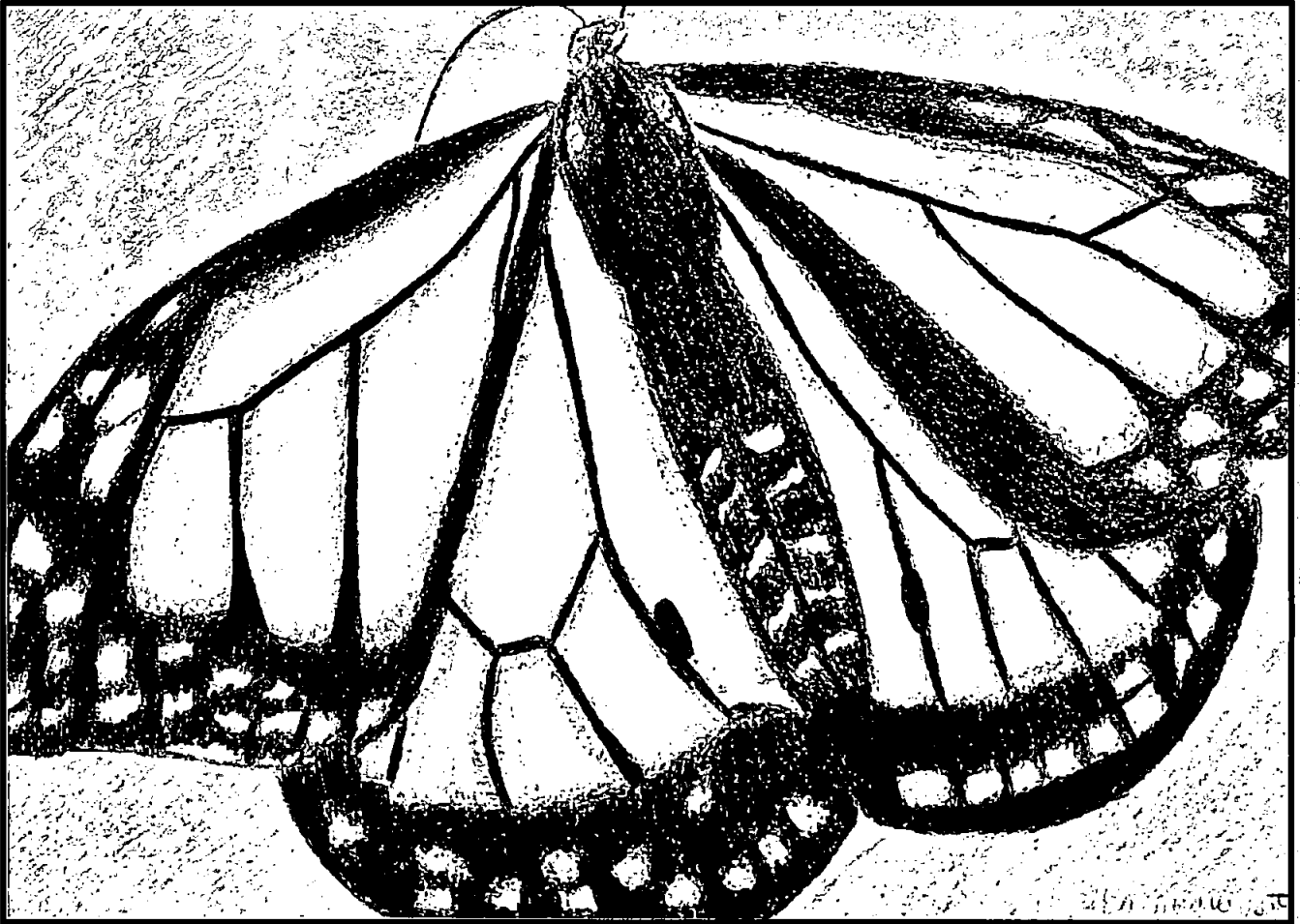


"Lion Eyes"

Isabella Biondini - Grade 9  
Shelley Hickman - Teacher  
Covington High School

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**MAJOR CAPITAL PROJECTS AND DEBT SERVICE FUNDS  
BUDGETARY COMPARISON SCHEDULES**



"Yellow Wings"  
Sharmani Tastet - Grade 11  
Sherrel Alack - Teacher  
Fontainebleau High School

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Exhibit 22**

**2013 Construction Capital Projects Fund  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2014**

|   | <b>Budget</b>        | <b>Actual</b>        | <b>Variance<br/>from<br/>Budget</b> |
|---|----------------------|----------------------|-------------------------------------|
| <b>Revenues</b>                                     |                      |                      |                                     |
| Earnings on Investments                             | \$ 112,600           | \$ 112,618           | \$ 18                               |
| <b>Total Revenues</b>                               | <b>112,600</b>       | <b>112,618</b>       | <b>18</b>                           |
| <b>Expenditures</b>                                 |                      |                      |                                     |
| Operation and Maintenance of Plant:                 |                      |                      |                                     |
| Repairs and Maintenance                             | 4,000,000            | 3,820,972            | 179,028                             |
| Facilities Acquisition and Construction:            |                      |                      |                                     |
| Architects and Engineers                            | 2,000,000            | 1,675,466            | 324,534                             |
| Building Improvements                               | 1,500,000            | 1,088,675            | 411,325                             |
| Equipment   | 500,000              | 43,213               | 456,787                             |
| Debt Service:                                       |                      |                      |                                     |
| Bond Issuance Costs                                 | 70,688               | 69,427               | 1,261                               |
| <b>Total Expenditures</b>                           | <b>8,070,688</b>     | <b>6,697,753</b>     | <b>1,372,935</b>                    |
| <b>Deficiency of Revenues Over<br/>Expenditures</b> | <b>(7,958,088)</b>   | <b>(6,585,135)</b>   | <b>1,372,953</b>                    |
| <b>Other Financing Sources</b>                      |                      |                      |                                     |
| Transfers In - 2008 Construction                    | 18,993,985           | 18,993,985           | -                                   |
| Bond Proceeds                                       | 20,000,000           | 20,000,000           | -                                   |
| <b>Total Other Financing Sources</b>                | <b>38,993,985</b>    | <b>38,993,985</b>    | <b>-</b>                            |
| <b>Net Change in Fund Balance</b>                   | <b>31,035,897</b>    | <b>32,408,850</b>    | <b>1,372,953</b>                    |
| <b>Fund Balance, Beginning of Year</b>              | <b>-</b>             | <b>-</b>             | <b>-</b>                            |
| <b>Fund Balance, End of Year</b>                    | <b>\$ 31,035,897</b> | <b>\$ 32,408,850</b> | <b>\$ 1,372,953</b>                 |

See independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Exhibit 23**

**Parish Wide School District No. 12 Debt Service Fund  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2014**

|   | <b>Budget</b>        | <b>Actual</b>        | <b>Variance<br/>from<br/>Budget</b> |
|---|----------------------|----------------------|-------------------------------------|
| <b>Revenues</b>                             |                      |                      |                                     |
| Local Sources:                              |                      |                      |                                     |
| Taxes - Ad Valorem                          | \$ 30,345,757        | \$ 30,347,690        | \$ 1,933                            |
| Earnings on Investments                     | 154,556              | 154,556              | -                                   |
| <b>Total Revenues</b>                       | <b>30,500,313</b>    | <b>30,502,246</b>    | <b>1,933</b>                        |
| <b>Expenditures</b>                         |                      |                      |                                     |
| General Administration:                     |                      |                      |                                     |
| Equipment for Assessor's Office             | 31,000               | -                    | 31,000                              |
| Pension Fund Contribution                   | 968,010              | 968,010              | -                                   |
| Debt Service:                               |                      |                      |                                     |
| Bond Issuance Costs                         | 6,839                | 6,839                | -                                   |
| Principal Retirement                        | 18,960,000           | 18,960,000           | -                                   |
| Interest and Bond Charges                   | 8,647,435            | 8,647,435            | -                                   |
| <b>Total Expenditures</b>                   | <b>28,613,284</b>    | <b>28,582,284</b>    | <b>31,000</b>                       |
| <b>Excess of Revenues Over Expenditures</b> | <b>1,887,029</b>     | <b>1,919,962</b>     | <b>32,933</b>                       |
| <b>Other Financing Sources (Uses)</b>       |                      |                      |                                     |
| Bond Proceeds                               | 12,090,000           | 12,090,000           | -                                   |
| Premium Received on Bonds Issued            | 2,494,903            | 2,494,903            | -                                   |
| Discount on Bonds Issued                    | (72,540)             | (72,540)             | -                                   |
| Payment to Refunded Bonds Escrow Agent      | (13,562,564)         | (13,562,564)         | -                                   |
| <b>Total Other Financing Sources (Uses)</b> | <b>949,799</b>       | <b>949,799</b>       | <b>-</b>                            |
| <b>Net Change in Fund Balance</b>           | <b>2,836,828</b>     | <b>2,869,761</b>     | <b>32,933</b>                       |
| <b>Fund Balance, Beginning of Year</b>      | <b>19,638,976</b>    | <b>19,638,976</b>    | <b>-</b>                            |
| <b>Fund Balance, End of Year</b>            | <b>\$ 22,475,804</b> | <b>\$ 22,508,737</b> | <b>\$ 32,933</b>                    |

See independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**STATISTICAL SECTION  
(UNAUDITED)**



"Hummingbirds"  
Emily Reiners - Grade 8  
Tonya Hendon - Teacher  
Monteleone Jr. High School



## STATISTICAL SECTION

This part of the St. Tammany Parish School Board's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School Board's overall financial health.

### Contents

### Tables

#### **Financial Trends**

1 - 4

These schedules contain trend information to help the reader understand how the School Board's financial performance and well-being have changed over time.

#### **Revenue Capacity**

5 - 9

These schedules contain information to help the reader assess the School Board's most significant local revenue sources.

#### **Debt Capacity**

10 - 14

These schedules present information to help the reader assess the affordability of the School Board's current levels of outstanding debt and the School Board's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

15 - 16

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School Board's financial activities take place.

#### **Operating Information**

17 - 23

These schedules contain service and infrastructure data to help the reader understand how the information in the School Board's financial report relates to the services the School Board provides and the activities it performs.

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Net Position by Component  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)  
(Unaudited)**

|   | Fiscal Year Ended June 30, |                       |                       |                       |
|---|----------------------------|-----------------------|-----------------------|-----------------------|
|   | 2014                       | 2013                  | 2012                  | 2011                  |
| <b>Governmental Activities</b>                        |                            |                       |                       |                       |
| Net Investment in Capital Assets                      | \$ 240,695,424             | \$ 255,219,093        | \$ 239,101,650        | \$ 256,897,670        |
| Restricted  | 56,338,238                 | 42,035,883            | 46,522,516            | 62,146,611            |
| Unrestricted  | (78,819,873)               | (149,625,491)         | (121,600,475)         | (127,169,111)         |
| <b>Total Governmental Activities<br/>Net Position</b> | <b>\$ 218,213,789</b>      | <b>\$ 147,629,485</b> | <b>\$ 164,023,691</b> | <b>\$ 191,875,170</b> |

Source: Comprehensive Annual Financial Reports - Information available for ten years.

See independent auditor's report.

**Table 1**

| Fiscal Year Ended June 30, |                       |                       |                       |                       |                       |
|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2010                       | 2009                  | 2008                  | 2007                  | 2006                  | 2005                  |
| \$ 255,099,402             | \$ 202,532,800        | \$ 156,950,308        | \$ 116,801,995        | \$ 50,574,740         | \$ 24,793,097         |
| 22,595,295                 | 19,619,889            | 11,906,700            | 8,571,906             | 103,928,881           | 84,585,526            |
| (38,945,775)               | 19,497,091            | 43,596,197            | 101,806,253           | 41,161,091            | 5,431,547             |
| <u>\$ 238,748,922</u>      | <u>\$ 241,649,780</u> | <u>\$ 212,453,205</u> | <u>\$ 227,180,154</u> | <u>\$ 195,664,712</u> | <u>\$ 114,810,170</u> |

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Changes In Net Position  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)  
(Unaudited)**

|   | Fiscal Year Ended June 30, |                        |                        |                        |
|---|----------------------------|------------------------|------------------------|------------------------|
|   | 2014                       | 2013                   | 2012                   | 2011                   |
| <b>Expenses:</b>  |                            |                        |                        |                        |
| Instruction:  |                            |                        |                        |                        |
| Regular Education Programs  | \$ 165,675,465             | \$ 163,422,306         | \$ 163,155,543         | \$ 164,314,782         |
| Special Education Programs  | 79,867,083                 | 75,704,187             | 77,210,381             | 89,268,907             |
| Vocational Education Programs   | 6,065,754                  | 6,426,132              | 6,453,189              | 6,682,996              |
| Other Instructional Programs  | 10,745,430                 | 11,345,543             | 12,594,810             | 13,468,466             |
| Special Programs  | 6,790,559                  | 11,831,134             | 11,706,882             | 15,428,531             |
| Adult Education Programs  | -                          | -                      | -                      | -                      |
| Support Services:   |                            |                        |                        |                        |
| Pupil Support   | 27,723,376                 | 28,459,624             | 29,365,296             | 23,189,486             |
| Instructional Staff Support   | 15,715,236                 | 16,782,579             | 18,488,294             | 19,292,023             |
| General Administration  | 8,592,184                  | 8,858,931              | 8,583,071              | 8,626,699              |
| School Administration   | 25,675,300                 | 25,919,878             | 26,086,302             | 26,487,373             |
| Business Administration   | 2,534,170                  | 2,619,391              | 2,905,920              | 3,172,252              |
| Operation and Maintenance of Plant  | 44,874,378                 | 42,492,603             | 43,507,660             | 27,381,227             |
| Pupil Transportation  | 36,272,937                 | 37,489,986             | 38,175,079             | 38,219,124             |
| Central Services  | 6,617,615                  | 6,859,916              | 7,327,045              | 7,948,922              |
| Food Services   | 23,051,521                 | 23,840,465             | 23,885,125             | 23,787,739             |
| Community Service Programs  | 1,396,823                  | 1,391,504              | 1,346,361              | 1,450,103              |
| Interest on Long-Term Debt  | 8,093,108                  | 10,459,845             | 12,342,453             | 11,894,081             |
| <b>Total Expenses</b>   | <b>469,690,939</b>         | <b>473,904,024</b>     | <b>483,133,411</b>     | <b>480,612,691</b>     |
| <b>Program Revenues:</b>  |                            |                        |                        |                        |
| Charges for Services:   |                            |                        |                        |                        |
| Instruction   | 466,075                    | 446,884                | 581,454                | 176,226                |
| Food Services   | 2,749,909                  | 2,755,899              | 2,994,653              | 3,050,741              |
| Community Service Programs  | 1,087,508                  | 1,042,729              | 1,040,571              | 1,202,833              |
| Operating Grants and Contributions  | 37,600,036                 | 38,713,827             | 38,257,130             | 52,092,620             |
| Capital Grants and Contributions  | 1,256,886                  | 5,628,374              | 15,139,673             | 4,346,052              |
| <b>Total Program Revenues</b>   | <b>43,160,414</b>          | <b>48,587,713</b>      | <b>58,013,481</b>      | <b>60,868,472</b>      |
| <b>Net Expense</b>  | <b>(426,530,525)</b>       | <b>(425,316,311)</b>   | <b>(425,119,930)</b>   | <b>(419,744,219)</b>   |
| <b>General Revenues and Other Changes in Net Position:</b>                                |                            |                        |                        |                        |
| Taxes:  |                            |                        |                        |                        |
| Ad Valorem (Property) Taxes   | 117,444,823                | 113,965,977            | 108,330,629            | 106,306,734            |
| Sales and Use Taxes   | 85,228,553                 | 82,874,124             | 77,922,516             | 75,235,263             |
| State Revenue Sharing   | 1,991,297                  | 1,917,347              | 1,906,476              | 1,943,649              |
| Grants and Contributions Not Restricted to Specific Programs - Minimum Foundation Program | 209,165,185                | 205,634,315            | 205,142,441            | 198,769,620            |
| HB 1 Appropriation  | 4,957,585                  | -                      | -                      | -                      |
| Interest and Investment Earnings  | 1,023,396                  | 823,703                | 972,281                | 1,180,463              |
| Insurance Proceeds  | -                          | -                      | -                      | -                      |
| Gain on Sale of Assets  | -                          | -                      | -                      | -                      |
| Miscellaneous   | 1,738,505                  | 3,706,639              | 2,994,108              | 916,067                |
| Special Item - Restatement  | -                          | -                      | -                      | -                      |
| Special Item - Loss on Disposition of Capital Assets                                      | -                          | -                      | -                      | (13,829,699)           |
| Extraordinary Item - Forgiveness of Debt  | 78,790,583                 | -                      | -                      | 2,348,370              |
| <b>Total General Revenues and Other Changes in Net Position</b>                           | <b>500,339,927</b>         | <b>408,922,105</b>     | <b>397,268,451</b>     | <b>372,870,467</b>     |
| <b>Change in Net Position</b>   | <b>\$ 73,809,402</b>       | <b>\$ (16,394,206)</b> | <b>\$ (27,851,479)</b> | <b>\$ (46,873,752)</b> |

Source: Comprehensive Annual Financial Reports - Information available for ten years.

See independent auditor's report.

Table 2

| Fiscal Year Ended June 30, |                |                 |                |                |                |
|----------------------------|----------------|-----------------|----------------|----------------|----------------|
| 2010                       | 2009           | 2008            | 2007           | 2006           | 2005           |
| \$ 149,434,835             | \$ 142,642,325 | \$ 149,055,479  | \$ 128,511,768 | \$ 131,106,052 | \$ 121,974,843 |
| 76,655,867                 | 74,326,182     | 75,534,212      | 64,851,904     | 58,457,438     | 57,993,891     |
| 6,083,611                  | 5,804,540      | 6,300,120       | 5,389,435      | 5,004,172      | 4,878,106      |
| 13,829,209                 | 14,882,116     | 16,302,774      | 14,473,477     | 11,705,748     | 13,471,299     |
| 13,143,735                 | 11,243,792     | 12,295,826      | 12,309,014     | 9,081,700      | 8,690,782      |
| 355,165                    | 406,423        | 469,083         | 445,613        | 488,327        | 636,520        |
| 19,781,955                 | 15,700,409     | 16,296,658      | 13,717,765     | 12,728,685     | 12,527,690     |
| 16,559,444                 | 15,434,557     | 16,968,498      | 14,278,658     | 12,198,812     | 12,820,958     |
| 7,978,436                  | 7,925,766      | 8,450,173       | 6,516,328      | 5,926,398      | 5,744,378      |
| 23,383,836                 | 22,141,850     | 21,729,282      | 17,594,125     | 16,862,520     | 15,672,383     |
| 2,884,197                  | 2,609,547      | 2,759,986       | 2,339,921      | 2,136,073      | 2,104,334      |
| 34,723,590                 | 34,272,688     | 37,390,691      | 30,869,596     | 34,728,672     | 24,999,855     |
| 32,459,145                 | 31,603,396     | 31,936,940      | 24,098,252     | 22,207,588     | 20,761,576     |
| 7,293,744                  | 8,260,124      | 7,908,980       | 4,997,706      | 4,187,728      | 4,757,738      |
| 21,285,705                 | 20,628,334     | 21,342,601      | 17,884,834     | 16,966,767     | 16,907,527     |
| 1,356,639                  | 1,440,596      | 1,924,210       | 1,419,324      | 1,245,429      | 1,405,781      |
| 12,216,768                 | 11,609,204     | 3,053,179       | 5,463,807      | 7,212,005      | 8,129,251      |
| 439,435,881                | 420,951,829    | 429,716,702     | 365,161,527    | 352,242,114    | 333,476,912    |
| 269,807                    | 1,528,919      | 1,686,022       | 190,299        | 145,077        | 166,710        |
| 3,023,636                  | 3,078,385      | 3,301,946       | 2,699,597      | 1,785,738      | 2,910,977      |
| 1,167,220                  | 1,368,615      | 1,399,123       | 1,345,688      | 1,051,641      | 1,137,074      |
| 44,056,696                 | 31,955,639     | 32,521,189      | 36,774,433     | 72,619,891     | 28,198,541     |
| 25,864,965                 | 35,401,245     | 9,348,184       | 18,733,843     | 20,542,642     | 725,268        |
| 74,382,324                 | 73,332,803     | 48,256,464      | 59,743,870     | 96,145,189     | 33,138,570     |
| (365,053,557)              | (347,619,026)  | (381,460,238)   | (305,417,657)  | (256,096,925)  | (300,338,342)  |
| 101,670,428                | 99,813,880     | 83,660,520      | 74,098,468     | 65,852,536     | 62,872,455     |
| 72,079,382                 | 77,359,837     | 84,844,401      | 89,280,567     | 91,563,744     | 65,438,272     |
| 1,953,133                  | 1,971,376      | 2,088,894       | 1,846,208      | 1,866,599      | 1,768,679      |
| 181,812,673                | 180,116,316    | 173,501,201     | 154,613,755    | 151,506,757    | 149,746,781    |
| -                          | -              | -               | -              | -              | -              |
| 1,439,649                  | 4,154,856      | 8,689,903       | 12,588,359     | 7,312,336      | 3,726,102      |
| -                          | 10,678,833     | -               | -              | -              | -              |
| -                          | -              | 54,763          | -              | -              | -              |
| 3,197,434                  | 2,722,503      | 5,012,825       | 4,505,742      | 18,849,495     | 9,739,516      |
| -                          | -              | 8,882,782       | -              | -              | -              |
| -                          | -              | -               | -              | -              | -              |
| -                          | -              | -               | -              | -              | -              |
| 362,152,699                | 376,815,601    | 366,733,289     | 336,933,099    | 336,951,467    | 293,291,805    |
| \$ (2,900,858)             | \$ 29,196,575  | \$ (14,726,949) | \$ 31,515,442  | \$ 80,854,542  | \$ (7,046,537) |

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Table 3**

**Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)  
(Unaudited)**

| Fiscal Year | General Fund  |               |               | All Other Governmental Funds |               |            |              |
|-------------|---------------|---------------|---------------|------------------------------|---------------|------------|--------------|
|             | Non-Spendable | Committed     | Assigned      | Non-Spendable                | Restricted    | Committed  | Assigned     |
| 2014        | \$ 742,574    | \$ 20,854,282 | \$ 44,956,576 | \$ 700,942                   | \$ 82,783,705 | \$ 915,770 | \$ 2,714,009 |
| 2013        | 103,463       | 20,854,282    | 34,251,214    | 443,305                      | 68,085,439    | 783,673    | 5,063,922    |
| 2012        | 142,520       | 20,854,282    | 24,697,634    | 300,512                      | 79,764,726    | 394,343    | 4,149,319    |
| 2011        | 90,471        | 20,854,282    | 30,430,292    | 361,966                      | 96,187,194    | 305,995    | 4,086,326    |
| 2010        | 6,544         | 20,854,282    | 30,511,953    | 444,531                      | 123,314,896   | 141,477    | 22,018,055   |

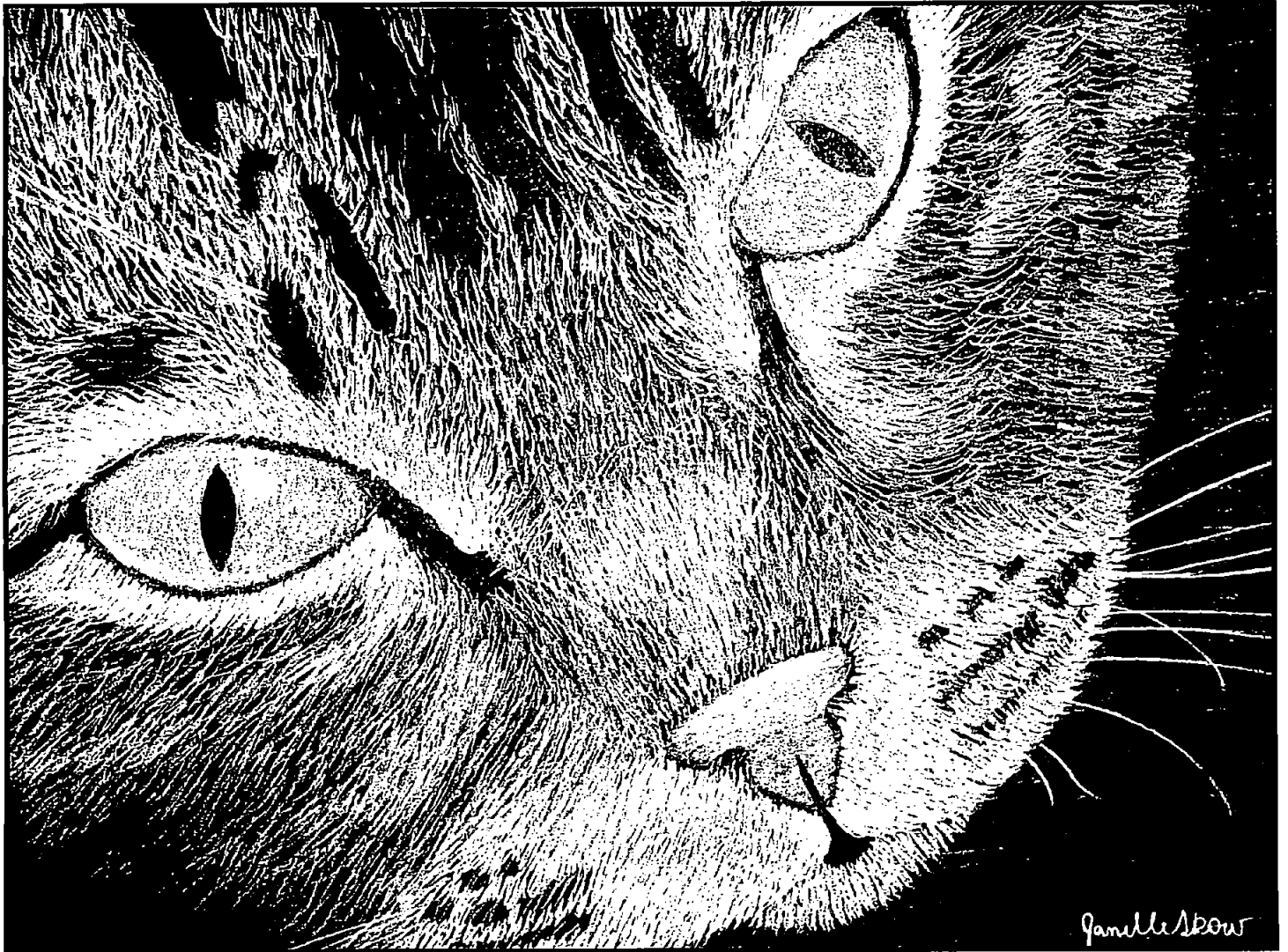
| Fiscal Year | General Fund |               |               | All Other Governmental Funds |   |  |  |
|-------------|--------------|---------------|---------------|------------------------------|---|--|--|
|             | Reserved     | Unreserved    | Total         | Reserved*                    | Unreserved<br>Reported<br>In<br>Special<br>Revenue<br>Funds | Unreserved<br>Reported<br>in<br>Capital<br>Projects<br>Funds | Total<br>All Other<br>Govern-<br>mental<br>Funds |
| 2009        | \$ -         | \$ 49,935,270 | \$ 49,935,270 | \$ 20,075,709                | \$ 98,098,249   | \$ 86,763,714  | \$ 204,937,672                                   |
| 2008        | -            | 55,784,162    | 55,784,162    | 12,278,923                   | 94,163,582  | 41,296,796   | 147,739,301                                      |
| 2007        | -            | 71,644,882    | 71,644,882    | 8,879,573                    | 90,155,883  | 69,749,974   | 168,785,430                                      |
| 2006        | 2,299        | 61,004,094    | 61,006,393    | 19,189,150                   | 5,750,225   | 168,571,193  | 193,510,568                                      |
| 2005        | 26,597       | 51,569,504    | 51,596,101    | 16,313,346                   | 4,045,967   | 68,531,666   | 88,890,979                                       |

Note: FY 2014, 2013, 2012, 2011 and 2010 were presented in conformity with GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. See Note 17.

\* Includes Special Revenue Capital Projects and Debt Service Funds.  
All fund balances in Debt Service Funds are reserved to pay future debt service.

Source: Comprehensive Annual Financial Reports.

See independent auditor's report.



"Kitty"  
Janelle Skow - Grade 10  
Sherrel Alack - Teacher  
Fontainebleau High School

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Changes in Fund Balances of Governmental Funds and Tax Revenues by Source  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)  
(Unaudited)**

|  | Fiscal Year Ended June 30, |                     |                        |                        |
|--|----------------------------|---------------------|------------------------|------------------------|
|  | 2014                       | 2013                | 2012                   | 2011                   |
| <b>Revenues</b>  |                            |                     |                        |                        |
| <b>Local Sources:</b>  |                            |                     |                        |                        |
| Ad Valorem Taxes   | \$ 117,617,828             | \$ 113,777,048      | \$ 108,701,407         | \$ 106,080,018         |
| Sales and Use Taxes  | 85,228,553                 | 82,874,124          | 77,922,516             | 75,235,263             |
| Rentals, Leases, and Royalties                                 | -                          | -                   | -                      | -                      |
| Tuition  | 1,553,583                  | 1,489,613           | 1,622,025              | 1,379,059              |
| Earnings on Investments  | 1,023,396                  | 823,703             | 972,281                | 1,180,463              |
| Food Service   | 2,749,909                  | 2,755,899           | 2,994,653              | 3,050,741              |
| Other  | 2,985,272                  | 4,189,300           | 3,236,116              | 3,347,668              |
| <b>State Sources:</b>  |                            |                     |                        |                        |
| Minimum Foundation Program                                     | 209,165,185                | 205,634,315         | 205,142,441            | 198,769,620            |
| HB 1 Appropriation   | 4,957,585                  | -                   | -                      | -                      |
| Contributions to Teachers' Retirement                          | 40,792                     | 46,594              | 41,862                 | 38,640                 |
| Revenue Sharing  | 1,991,297                  | 1,917,347           | 1,906,476              | 1,943,649              |
| Professional Improvement Program                               | 135,943                    | 176,606             | 225,250                | 267,972                |
| Other  | 3,865,488                  | 2,068,473           | 1,779,359              | 2,511,755              |
| <b>Federal Sources</b>   | <b>33,567,932</b>          | <b>41,567,867</b>   | <b>51,108,324</b>      | <b>51,459,119</b>      |
| <b>Total Revenues</b>  | <b>464,882,763</b>         | <b>457,320,889</b>  | <b>455,652,710</b>     | <b>445,263,967</b>     |
| <b>Expenditures</b>  |                            |                     |                        |                        |
| <b>Current:</b>  |                            |                     |                        |                        |
| <b>Instruction:</b>  |                            |                     |                        |                        |
| Regular Education Programs                                     | 152,112,414                | 146,164,152         | 147,685,477            | 142,077,073            |
| Special Education Programs                                     | 73,328,752                 | 67,709,473          | 69,889,456             | 77,187,609             |
| Other Education Programs                                       | 21,669,584                 | 26,476,614          | 27,838,768             | 30,764,740             |
| <b>Support Services:</b>                                       |                            |                     |                        |                        |
| Pupil Support  | 25,453,797                 | 25,454,155          | 26,580,941             | 20,051,113             |
| Instructional Staff Support                                    | 14,428,707                 | 15,010,261          | 16,735,273             | 16,681,117             |
| General Administration   | 7,888,783                  | 7,923,386           | 7,769,242              | 7,459,196              |
| School Administration  | 23,573,387                 | 23,182,618          | 23,612,854             | 22,902,677             |
| Business Administration  | 2,326,710                  | 2,342,771           | 2,630,386              | 2,742,932              |
| Operation and Maintenance of Plant                             | 41,200,729                 | 38,005,166          | 39,382,356             | 35,624,333             |
| Pupil Transportation   | 33,303,447                 | 33,530,869          | 34,555,398             | 33,046,700             |
| Central Services   | 6,075,864                  | 6,135,477           | 6,632,309              | 6,873,146              |
| Food Services  | 21,164,406                 | 21,322,800          | 21,620,388             | 20,577,669             |
| Community Service Programs                                     | 1,282,471                  | 1,244,554           | 1,218,701              | 1,253,851              |
| Facilities Acquisition and Construction                        | 9,853,782                  | 13,264,829          | 22,047,234             | 62,895,583             |
| Debt Service - Legal Fees                                      | 14,135                     | -                   | 49,226                 | 66,672                 |
| Debt Service - Issuance Costs                                  | -                          | -                   | -                      | -                      |
| Debt Service - Election Expenses                               | -                          | -                   | -                      | -                      |
| Debt Service - Bond Issuance Costs                             | 76,266                     | 5,857               | 7,057                  | 10,898                 |
| Debt Service - Principal                                       | 19,293,333                 | 21,183,334          | 38,003,333             | 19,533,333             |
| Debt Service - Interest  | 8,703,435                  | 9,022,154           | 10,656,706             | 10,599,005             |
| <b>Total Expenditures</b>                                      | <b>461,750,002</b>         | <b>457,978,490</b>  | <b>496,915,105</b>     | <b>510,347,647</b>     |
| <b>Excess (Deficiency) of Revenues Over Expenditures</b>       | <b>3,132,761</b>           | <b>(657,601)</b>    | <b>(41,262,395)</b>    | <b>(65,083,680)</b>    |
| <b>Other Financing Sources (Uses)</b>                          |                            |                     |                        |                        |
| Payment to Escrow Agent from Refunding Bond Proceeds           | (13,562,564)               | (20,389,649)        | (20,701,558)           | -                      |
| Premium Received on Bonds Issued                               | 2,494,903                  | 2,407,392           | 1,834,163              | 108,488                |
| Discount on Bonds Issued                                       | (72,540)                   | (108,180)           | (113,400)              | -                      |
| Bonds Issued   | 32,090,000                 | 18,030,000          | 38,230,000             | 20,000,000             |
| Federal Loan Proceeds  | -                          | -                   | -                      | -                      |
| Sales of Capital Assets  | -                          | -                   | -                      | -                      |
| Insurance Proceeds   | -                          | -                   | -                      | -                      |
| Transfers In   | 23,076,524                 | 6,671,301           | 17,643,714             | 10,170,630             |
| Transfers Out  | (23,076,524)               | (6,671,301)         | (17,643,714)           | (10,170,630)           |
| <b>Total Other Financing Sources (Uses)</b>                    | <b>20,949,799</b>          | <b>(60,437)</b>     | <b>19,249,205</b>      | <b>20,108,488</b>      |
| <b>Net Change in Fund Balances</b>                             | <b>\$ 24,082,560</b>       | <b>\$ (718,038)</b> | <b>\$ (22,013,190)</b> | <b>\$ (44,975,192)</b> |
| <b>Debt Service as a Percentage of Noncapital Expenditures</b> | <b>6.22%</b>               | <b>6.90%</b>        | <b>10.41%</b>          | <b>6.79%</b>           |

Source: Comprehensive Annual Financial Reports.

See independent auditor's report.



Table 4

| Fiscal Year Ended June 30, |               |                 |                 |                |               |
|----------------------------|---------------|-----------------|-----------------|----------------|---------------|
| 2010                       | 2009          | 2008            | 2007            | 2006           | 2005          |
| \$ 103,654,878             | \$ 97,685,368 | \$ 83,888,326   | \$ 73,870,662   | \$ 65,852,536  | \$ 62,802,202 |
| 72,079,382                 | 77,359,837    | 93,281,812      | 89,671,372      | 89,743,764     | 65,696,266    |
|                            |               |                 |                 |                | 1,575         |
| 1,437,027                  | 1,528,919     | 1,688,022       | 1,535,997       | 1,196,918      | 1,303,784     |
| 1,439,649                  | 2,722,495     | 8,689,903       | 12,588,359      | 7,121,326      | 3,630,141     |
| 3,023,836                  | 3,078,385     | 3,301,946       | 2,699,597       | 1,785,738      | 2,910,977     |
| 3,769,904                  | 3,348,460     | 1,764,267       | 1,849,854       | 651,907        | 505,966       |
| 181,812,673                | 180,116,316   | 173,501,201     | 154,613,755     | 151,506,757    | 149,746,781   |
| 45,712                     | 48,495        | 57,059          | 64,148          | 89,815         | 70,494        |
| 1,953,133                  | 1,971,376     | 2,086,894       | 1,846,208       | 1,866,599      | 1,768,679     |
| 342,811                    | 369,618       | 435,420         | 498,502         | 571,503        | 656,198       |
| 6,819,254                  | 12,143,910    | 10,132,502      | 5,644,455       | 9,689,458      | 5,817,402     |
| 62,141,414                 | 62,162,333    | 42,038,308      | 50,768,367      | 66,149,716     | 26,066,511    |
| 438,519,473                | 442,535,512   | 420,863,660     | 395,651,276     | 396,226,037    | 320,976,976   |
| 144,341,429                | 133,355,707   | 129,525,124     | 121,079,830     | 115,457,973    | 107,001,159   |
| 74,043,093                 | 69,487,215    | 65,514,042      | 61,235,517      | 56,501,537     | 55,169,371    |
| 32,282,559                 | 30,231,604    | 30,203,249      | 30,305,373      | 25,023,846     | 25,922,013    |
| 19,107,698                 | 14,678,246    | 14,147,088      | 12,962,175      | 12,264,648     | 11,879,363    |
| 15,995,024                 | 14,429,702    | 14,733,249      | 13,494,750      | 11,779,845     | 12,188,898    |
| 7,706,495                  | 7,409,765     | 7,323,346       | 6,144,633       | 5,712,441      | 5,448,976     |
| 22,586,811                 | 20,700,322    | 18,669,821      | 16,640,521      | 16,312,057     | 14,920,549    |
| 2,785,891                  | 2,439,653     | 2,394,116       | 2,209,097       | 2,051,238      | 1,988,667     |
| 33,540,055                 | 32,041,391    | 32,288,195      | 29,063,282      | 33,411,107     | 23,610,626    |
| 31,352,793                 | 29,545,881    | 27,757,246      | 22,811,347      | 21,496,860     | 19,780,254    |
| 7,045,141                  | 7,741,053     | 6,751,697       | 4,399,589       | 3,561,031      | 4,046,080     |
| 20,560,193                 | 19,285,342    | 18,441,434      | 16,785,017      | 16,304,893     | 15,985,763    |
| 1,310,398                  | 1,346,808     | 1,671,217       | 1,340,078       | 1,204,064      | 1,337,877     |
| 86,491,105                 | 85,418,654    | 69,455,636      | 54,486,930      | 31,022,161     | 29,508,797    |
| 102,078                    | 1,625         | 30,125          | 21,567          | -              | -             |
| -                          | -             | -               | -               | 1,474          | 54,543        |
| -                          | 5,022         | 58,109          | -               | -              | -             |
| 17,249                     | 61,447        | 75,590          | -               | 84,844         | 167,442       |
| 18,095,000                 | 12,595,000    | 11,805,771      | 13,420,000      | 10,405,000     | 10,290,000    |
| 10,012,977                 | 8,830,790     | 7,450,217       | 8,097,595       | 7,212,005      | 6,414,493     |
| 527,375,989                | 489,625,227   | 458,495,272     | 414,497,301     | 369,807,024    | 345,712,871   |
| (88,858,516)               | (47,089,715)  | (37,631,612)    | (18,846,025)    | 26,419,013     | (24,735,895)  |
| -                          | -             | -               | (9,954,229)     | -              | (36,408,800)  |
| 1,275,312                  | 1,432,381     | -               | -               | 95,512         | 326,025       |
| -                          | -             | -               | -               | -              | -             |
| 30,000,000                 | 86,330,000    | 670,000         | -               | 25,000,000     | 95,690,000    |
| -                          | -             | -               | 15,985,981      | 51,857,990     | -             |
| -                          | -             | 54,763          | -               | -              | -             |
| -                          | 10,876,833    | -               | -               | -              | -             |
| 152,558,101                | 90,170,841    | 123,228,341     | 141,962,543     | 294,168,384    | 74,374,777    |
| (152,558,101)              | (90,170,841)  | (123,228,341)   | (143,234,919)   | (283,511,018)  | (74,374,777)  |
| 31,275,312                 | 98,439,194    | 724,763         | 4,759,376       | 87,610,868     | 59,607,225    |
| \$ (57,581,204)            | \$ 51,349,479 | \$ (36,906,849) | \$ (14,086,649) | \$ 114,029,881 | \$ 34,871,330 |
| 6.51%                      | 5.39%         | 4.84%           | 8.80%           | 5.10%          | 16.39%        |

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Table 5**

**Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(Unaudited)**

| <b>Fiscal Year</b>           | <b>Real Estate Assessed Value</b> | <b>Commercial and Other Property Assessed Value</b> | <b>Assessed Value</b> | <b>Estimated Actual Value</b> | <b>Total Direct Tax Rate</b> | <b>Ratio of Total Assessed Value to Total Estimated Actual Value*</b> |
|------------------------------|-----------------------------------|---|-----------------------|-------------------------------|------------------------------|---|
| <b>Parish of St. Tammany</b> |                                   |   |                       |                               |                              |   |
| 2014                         | \$ 1,537,277,075                  | \$ 675,742,656                                      | \$ 2,213,019,731      | \$19,877,721,790              | 19.00%                       | 11.13%  |
| 2013                         | 1,525,724,378                     | 644,823,218   | 2,170,547,596         | 19,556,065,233                | 19.40%                       | 11.10%  |
| 2012                         | 1,481,091,078                     | 596,195,410   | 2,077,286,299         | 18,785,546,847                | 19.50%                       | 11.06%  |
| 2011                         | 1,483,378,855                     | 588,578,634   | 2,071,957,489         | 18,757,646,110                | 19.50%                       | 11.05%  |
| 2010                         | 1,418,336,365                     | 552,132,297   | 1,970,468,662         | 17,864,245,630                | 19.50%                       | 11.03%  |
| 2009                         | 1,430,237,736                     | 530,052,013   | 1,960,289,749         | 17,836,057,447                | 19.50%                       | 10.99%  |
| 2008                         | 1,244,467,016                     | 285,489,975   | 1,529,956,991         | 13,734,895,657                | 23.10%                       | 11.14%  |
| 2007                         | 1,131,583,881                     | 261,141,810   | 1,392,725,691         | 13,056,784,210                | 23.10%                       | 10.67%  |
| 2006                         | 1,039,413,980                     | 249,263,960   | 1,288,677,940         | 12,055,899,533                | 19.70%                       | 10.69%  |
| 2005                         | 1,051,282,371                     | 239,661,039   | 1,290,943,410         | 12,110,563,970                | 15.70%                       | 10.66%  |

**\*Actual Valuation (Market Value) as Compared to Assessed Valuation**

Residential properties are assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. The overall assessed value is estimated to be 11% of actual market value.

Source: St. Tammany Parish Assessor's Office.

See independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Table 6**

**Principal Property Taxpayers  
Current Year and Nine Years Ago  
(Unaudited)**

| Taxpayer                      | Type of Business | June 30, 2014         |      |  | June 30, 2005         |      |  |
|-------------------------------|------------------|-----------------------|------|--|-----------------------|------|--|
|                               |                  | Assessed Valuation    | Rank | Percentage of Total Assessed Valuation | Assessed Valuation    | Rank | Percentage of Total Assessed Valuation |
| Central La. Electric Co.      | Utility          | \$ 49,038,440         | 1    | 2.86 %                                 | \$ 33,091,260         | 1    | 3.81 %                                 |
| AT&T Southeast                | Telephone        | 14,778,110            | 2    | 0.86                                   | -                     |      |  |
| Florida Marine Transporters   | Transportation   | 12,680,680            | 3    | 0.74                                   | -                     |      |  |
| Chevron USA Inc.              | Energy           | 10,958,294            | 4    | 0.64                                   | -                     |      |  |
| Tri-States NGL Pipeline, Inc  | Energy           | 7,974,130             | 5    | 0.47                                   | -                     |      |  |
| Wash-St. Tammany Elec Coop    | Utility          | 7,948,370             | 6    | 0.46                                   | 5,020,040             | 6    | 0.58                                   |
| Atmos Energy Louisiana        | Utility          | 7,815,650             | 7    | 0.46                                   | 4,684,710             | 8    | 0.54                                   |
| J P Morgan Chase Bank         | Bank             | 7,601,683             | 8    | 0.44                                   | -                     |      |  |
| Capital One Bank              | Bank             | 6,980,760             | 9    | 0.41                                   | -                     |      |  |
| AT&T Mobility, LLC            | Telephone        | 6,188,510             | 10   | 0.36                                   | -                     |      |  |
| Bellsouth Telecommunications  | Telephone        | -                     |      |  | 20,428,170            | 2    | 2.35                                   |
| Hibernia National Bank        | Bank             | -                     |      |  | 12,714,360            | 3    | 1.46                                   |
| Banc One Management Corp.     | Bank             | -                     |      |  | 6,923,710             | 4    | 0.80                                   |
| McKesson Corp.                | Healthcare       | -                     |      |  | 5,329,930             | 5    | 0.61                                   |
| Charter Communications        | Utility          | -                     |      |  | 4,785,500             | 7    | 0.55                                   |
| Louisiana Heart Hospital, LLC | Healthcare       | -                     |      |  | 4,387,250             | 9    | 0.5                                    |
| Parish National Bank          | Bank             | -                     |      |  | 4,284,270             | 10   | 0.49                                   |
|                               |                  | <u>\$ 131,984,627</u> |      | <u>7.70 %</u>                          | <u>\$ 101,649,200</u> |      | <u>11.69 %</u>                         |

Source: St. Tammany Parish Assessor's Office

See independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Property Tax Rates - Direct and Overlapping Governments  
Last Ten Fiscal Years  
(Unaudited)**

| Other Governments<br>(Parish Wide)        |                |                       |   |  |  |                       |
|---|----------------|-----------------------|---|--|--|-----------------------|
| Year                                      | Constitutional | Additional<br>Support | Construction,<br>Maintenance,<br>and Operations | Improve,<br>Maintain, and<br>Operating | Bond and<br>Interest -<br>District No. 12<br>Millage | Total School<br>Board |
| <u>RATE PER \$1,000 OF ASSESSED VALUE</u> |                |                       |   |  |  |                       |
| 2014                                      | 3.78           | 7.81                  | 3.42  | 35.27                                  | 17.90  | 68.18                 |
| 2013                                      | 3.78           | 4.81                  | 3.42  | 35.27                                  | 20.90  | 68.18                 |
| 2012                                      | 3.80           | 4.84                  | 3.44  | 35.47                                  | 20.90  | 68.45                 |
| 2011                                      | 3.80           | 4.84                  | 3.44  | 35.47                                  | 20.90  | 68.45                 |
| 2010                                      | 3.80           | 4.84                  | 3.44  | 35.47                                  | 20.90  | 68.45                 |
| 2009                                      | 3.80           | 4.84                  | 3.44  | 35.47                                  | 21.90  | 69.45                 |
| 2008                                      | 4.47           | 5.69                  | 4.05  | 41.73                                  | 21.90  | 77.84                 |
| 2007                                      | 4.47           | 5.69                  | 4.05  | 41.73                                  | 21.90  | 77.84                 |
| 2006                                      | 4.47           | 5.69                  | 4.05  | 41.73                                  | 21.90  | 77.84                 |
| 2005                                      | 3.70           | 5.19                  | 3.70  | 38.10                                  | 23.90  | 74.59                 |

Source: St. Tammany Parish Assessor's Office.

See independent auditor's report.

**Table 7**

| Other Governments<br>(Parish Wide)        |                               |                     |                                     |                                 |                                    |                                  |                                      |                               |
|---|-------------------------------|---------------------|-------------------------------------|---------------------------------|------------------------------------|----------------------------------|--------------------------------------|-------------------------------|
| Parish<br>Council<br>Millage              | Law<br>Enforcement<br>Millage | Assessor<br>Millage | City of Abita<br>Springs<br>Millage | City of<br>Covington<br>Millage | City of<br>Madisonville<br>Millage | City of<br>Mandeville<br>Millage | City of<br>Pearl<br>River<br>Millage | City of<br>Slidell<br>Millage |
| <u>RATE PER \$1,000 OF ASSESSED VALUE</u> |                               |                     |                                     |                                 |                                    |                                  |                                      |                               |
| 19.01                                     | 11.66                         | 2.71                | 15.86                               | 21.80                           | 8.55                               | 15.80                            | 10.00                                | 25.89                         |
| 19.43                                     | 11.66                         | 2.71                | 15.86                               | 22.00                           | 8.55                               | 15.80                            | 10.00                                | 26.56                         |
| 19.54                                     | 11.73                         | 2.73                | 15.86                               | 22.04                           | 8.59                               | 15.82                            | 10.00                                | 26.79                         |
| 19.54                                     | 11.73                         | 2.73                | 15.86                               | 22.04                           | 8.59                               | 15.92                            | 9.67                                 | 27.82                         |
| 19.54                                     | 11.73                         | 2.73                | 15.86                               | 23.04                           | 8.59                               | 16.00                            | 9.67                                 | 27.82                         |
| 19.54                                     | 11.73                         | 2.73                | 16.86                               | 23.04                           | 8.59                               | 16.07                            | 9.67                                 | 27.82                         |
| 19.54                                     | 12.10                         | 3.21                | 16.86                               | 24.27                           | 11.63                              | 17.29                            | 10.00                                | 30.98                         |
| 23.05                                     | 10.72                         | 2.66                | 16.86                               | 24.27                           | 10.51                              | 17.39                            | 10.00                                | 30.21                         |
| 23.05                                     | 10.72                         | 2.66                | 16.86                               | 20.18                           | 10.51                              | 17.59                            | 10.00                                | 30.21                         |
| 19.74                                     | 10.72                         | 2.66                | 17.86                               | 20.18                           | 11.63                              | 17.64                            | 10.00                                | 31.59                         |

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Table 8**

**Property Tax Levies and Collections  
Last Ten Fiscal Years  
(Unaudited)**

| <b>Fiscal Year</b> | <b>Total Tax Levy</b> | <b>Current Tax Collections</b> | <b>Percent of Levy Collected</b> | <b>Collections for Prior Years</b> | <b>Total Collections</b> | <b>Ratio of Total Collections to Tax Levy</b> |
|--------------------|-----------------------|--------------------------------|----------------------------------|------------------------------------|--------------------------|---|
| 2014               | \$ 116,871,308        | \$ 115,767,944                 | 99.1                             | \$ 1,849,884                       | \$ 117,617,828           | 100.6   |
| 2013               | 113,912,376           | 112,745,122                    | 99.0                             | 1,031,926                          | 113,777,048              | 99.9  |
| 2012               | 108,198,475           | 106,265,778                    | 98.2                             | 2,435,629                          | 108,701,407              | 100.5   |
| 2011               | 107,722,480           | 104,518,418                    | 97.0                             | 1,561,600                          | 106,080,018              | 98.5  |
| 2010               | 101,723,628           | 99,091,851                     | 97.4                             | 2,425,786                          | 101,517,677              | 99.8  |
| 2009               | 101,529,080           | 95,833,849                     | 94.4                             | 1,851,519                          | 97,685,368               | 96.2  |
| 2008               | 85,059,132            | 82,325,377                     | 96.8                             | 1,317,822                          | 83,643,199               | 98.3  |
| 2007               | 75,718,411            | 73,292,028                     | 96.8                             | 325,200                            | 73,617,228               | 97.2  |
| 2006               | 68,770,656            | 66,288,648                     | 96.4                             | 1,618,838                          | 67,907,486               | 98.7  |
| 2005               | 64,835,951            | 62,465,018                     | 96.3                             | 337,184                            | 62,802,202               | 96.9  |

Sources: St. Tammany Parish Sheriff's Office and the St. Tammany Parish School Board Business Affairs Department.

Note: The St. Tammany Parish Tax Collector, which is the St. Tammany Parish Sheriff's Office, is unable to provide information on which year the prior year taxes are for.

See independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Table 9**

**Sales Tax Revenue  
Last Ten Fiscal Years  
(Unaudited)**

| <b>Fiscal<br/>Year</b> | <b>1%<br/>Sales Tax<br/>1966</b> | <b>1%<br/>Sales Tax<br/>1977</b> | <b>Total<br/>Sales<br/>Tax</b> |
|------------------------|----------------------------------|----------------------------------|--------------------------------|
| 2014                   | \$ 42,614,129                    | \$ 42,614,424                    | \$ 85,228,553                  |
| 2013                   | 41,437,062                       | 41,437,062                       | 82,874,124                     |
| 2012                   | 38,961,258                       | 38,961,258                       | 77,922,516                     |
| 2011                   | 37,617,631                       | 37,617,632                       | 75,235,263                     |
| 2010                   | 36,039,691                       | 36,039,691                       | 72,079,382                     |
| 2009                   | 38,661,896                       | 38,697,941                       | 77,359,037                     |
| 2008                   | 46,640,906                       | 46,640,906                       | 93,281,812                     |
| 2007                   | 44,835,686                       | 44,835,686                       | 89,671,372                     |
| 2006                   | 44,871,882                       | 44,871,882                       | 89,743,764                     |
| 2005                   | 32,848,133                       | 32,848,133                       | 65,696,266                     |

Source: Comprehensive Annual Financial Reports.

See independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
(Unaudited)**

| <b>Fiscal Year</b> | <b>General<br/>Obligation<br/>Bonds</b> | <b>Revenue<br/>Bonds<br/>and Notes</b> | <b>Qualified<br/>School<br/>Construction<br/>Bonds</b> | <b>Community<br/>Disaster Loan</b> | <b>Total Debt</b> |
|--------------------|---|--|--|------------------------------------|-------------------|
| 2014               | \$ 212,000,072                          | \$ -                                   | \$ 3,666,667   | \$ -                               | \$ 215,666,739    |
| 2013               | 204,540,000                             | -                                      | 4,000,000  | 65,766,016                         | 274,306,016       |
| 2012               | 226,210,000                             | -                                      | 4,333,334  | 65,766,016                         | 296,309,350       |
| 2011               | 244,625,000                             | -                                      | 4,666,667  | 65,766,016                         | 315,057,683       |
| 2010               | 243,825,000                             | -                                      | 5,000,000  | 67,843,971                         | 316,668,971       |
| 2009               | 236,920,000                             | -                                      | -  | 67,843,971                         | 304,763,971       |
| 2008               | 163,185,000                             | -                                      | -  | 67,843,971                         | 231,028,971       |
| 2007               | 174,320,771                             | -                                      | -  | 67,843,971                         | 242,164,742       |
| 2006               | 195,840,000                             | 1,855,000                              | -  | 52,287,785                         | 249,982,785       |
| 2005               | 179,495,000                             | 3,605,000                              | -  | -                                  | 183,100,000       |

**Note:** Details regarding the School System's outstanding debt can be found in the notes to the basic financial statements.

- (1) See the Schedule of Demographic Statistics, Table 15, for personal income and population data.
- (2) Information not available.

See independent auditor's report.



**Table 10**

| <b>Resources<br/>Restricted for<br/>Repayment of<br/>Debt</b> |                 | <b>(1)<br/>Percentage<br/>of Personal<br/>Income</b> |  | <b>(1)<br/>Net Debt<br/>Per Capita</b> |
|---|-----------------|--|--|--|
|   | <b>Net Debt</b> |  |  |  |
| \$ 22,508,737   | \$ 193,158,002  | (2)  |  | \$ 797                                 |
| 19,638,976  | 254,667,040     | (2)  |  | 1,064                                  |
| 16,394,662  | 279,914,688     | 2.49%  |  | 1,182                                  |
| 23,873,670  | 291,184,013     | 2.72%  |  | 1,241                                  |
| 22,595,295  | 294,073,676     | 2.87%  |  | 1,272                                  |
| 19,619,889  | 285,144,082     | 2.72%  |  | 1,244                                  |
| 11,906,700  | 219,122,271     | 2.17%  |  | 968                                    |
| 8,571,906   | 233,592,836     | 2.67%  |  | 1,047                                  |
| 18,927,228  | 231,055,557     | 2.93%  |  | 1,063                                  |
| 16,053,860  | 167,046,140     | 2.31%  |  | 790                                    |

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years  
(Unaudited)**

| <b>Fiscal Year</b> | <b>General<br/>Obligation<br/>Bonds</b> | <b>Revenue<br/>Bonds and<br/>Notes</b> | <b>Total Debt</b> | <b>Resources<br/>Restricted for<br/>Repayment of<br/>Debt</b> | <b>Net Debt</b> |
|--------------------|---|--|-------------------|---|-----------------|
| 2014               | \$ 212,000,072                          | \$ -                                   | \$ 212,000,072    | \$ 22,508,737   | \$ 189,491,335  |
| 2013               | 204,540,000                             | -                                      | 204,540,000       | 19,638,976  | 184,901,024     |
| 2012               | 226,210,000                             | -                                      | 226,210,000       | 16,394,662  | 209,815,338     |
| 2011               | 244,625,000                             | -                                      | 244,625,000       | 23,873,670  | 220,751,330     |
| 2010               | 243,825,000                             | -                                      | 243,825,000       | 22,595,295  | 221,229,705     |
| 2009               | 236,920,000                             | -                                      | 236,920,000       | 19,619,889  | 217,300,111     |
| 2008               | 163,185,000                             | -                                      | 163,185,000       | 11,906,700  | 151,278,300     |
| 2007               | 174,320,771                             | -                                      | 174,320,771       | 8,571,906   | 165,748,865     |
| 2006               | 195,840,000                             | 1,855,000                              | 197,695,000       | 18,927,228  | 178,767,772     |
| 2005               | 179,495,000                             | 3,605,000                              | 183,100,000       | 16,053,860  | 167,046,140     |

Note: Details regarding the School System's outstanding debt can be found in the notes to the basic financial statements.

- (1) See the Schedule of Demographic Statistics, Table 15, for personal income and population and student data.
- (2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property, Table 5, for assessed value data and actual value.

See independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Table 11**

**Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years  
(Unaudited)**

| <b>(1)</b>          |     | <b>(1)</b>          |       | <b>(2)</b>            |        | <b>(2)</b>          |       |
|---------------------|-----|---------------------|-------|-----------------------|--------|---------------------|-------|
| <b>Net Debt Per</b> |     | <b>Net Debt Per</b> |       | <b>Percentage of</b>  |        | <b>Percentage</b>   |       |
| <b>Capita</b>       |     | <b>Student</b>      |       | <b>Net Debt to</b>    |        | <b>of Net Debt</b>  |       |
|                     |     |                     |       | <b>Assessed Value</b> |        | <b>to Estimated</b> |       |
|                     |     |                     |       |                       |        | <b>Actual Value</b> |       |
| \$                  | 782 | \$                  | 4,981 |                       | 8.56%  |                     | 0.95% |
|                     | 772 |                     | 4,875 |                       | 8.52%  |                     | 0.95% |
|                     | 886 |                     | 5,594 |                       | 10.10% |                     | 1.12% |
|                     | 941 |                     | 5,948 |                       | 10.65% |                     | 1.18% |
|                     | 957 |                     | 6,071 |                       | 11.23% |                     | 1.24% |
|                     | 948 |                     | 6,057 |                       | 11.09% |                     | 1.22% |
|                     | 668 |                     | 4,257 |                       | 9.89%  |                     | 1.10% |
|                     | 743 |                     | 4,698 |                       | 11.90% |                     | 1.27% |
|                     | 822 |                     | 5,420 |                       | 13.87% |                     | 1.48% |
|                     | 790 |                     | 4,619 |                       | 12.94% |                     | 1.38% |

See independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Table 12**

**Computation of Legal Debt Margin  
Last Ten Tax Years  
(Unaudited)**

| <b>Year</b>                  | <b>Assessed<br/>Value (2)</b> | <b>Debt Limit of<br/>Thirty-Five<br/>Percent (35%)<br/>of Assessed<br/>Value (1)</b> | <b>Less: Total<br/>Bonded<br/>Debt (3)</b> | <b>Add: Amount<br/>Available for<br/>Repayment<br/>of Debt (3)</b> | <b>Legal Debt<br/>Margin</b> | <b>Legal Debt<br/>Margin as a<br/>% of the<br/>Debt Limit</b> |
|------------------------------|-------------------------------|--|--|--|------------------------------|---|
| <u>Parish of St. Tammany</u> |                               |  |  |  |                              |   |
| 2014                         | \$ 2,213,019,731              | \$ 774,556,906   | \$ 205,170,000                             | \$ 22,508,737  | \$ 591,895,643               | 76.42%  |
| 2013                         | 2,170,547,596                 | 759,691,659  | 204,540,000                                | 19,638,976   | 574,790,635                  | 75.66%  |
| 2012                         | 2,077,286,488                 | 727,050,271  | 226,210,000                                | 16,394,662   | 517,234,933                  | 71.14%  |
| 2011                         | 2,071,957,489                 | 725,185,121  | 244,625,000                                | 23,873,670   | 504,433,791                  | 69.56%  |
| 2010                         | 1,970,468,662                 | 689,664,032  | 248,825,000                                | 22,595,295   | 463,434,327                  | 67.20%  |
| 2009                         | 1,960,289,749                 | 686,101,412  | 236,920,000                                | 19,619,889   | 468,801,301                  | 68.33%  |
| 2008                         | 1,529,956,991                 | 535,484,947  | 163,185,000                                | 11,906,700   | 384,206,647                  | 71.75%  |
| 2007                         | 1,392,725,691                 | 487,453,992  | 174,320,771                                | 8,571,906  | 321,705,127                  | 66.00%  |
| 2006                         | 1,288,677,940                 | 451,037,279  | 195,840,000                                | 18,927,228   | 274,124,507                  | 60.78%  |
| 2005                         | 1,290,943,410                 | 451,830,194  | 179,495,000                                | 16,053,860   | 288,389,054                  | 63.83%  |

**Sources:**

- (1) Legal debt limit of 35% is established by Louisiana Revised Statute Title 39, Section 562.
- (2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property, Table 5, for assessed value data.
- (3) Comprehensive Annual Financial Reports.

See independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Table 13**

**Computation of Direct and Overlapping Debt  
June 30, 2014  
(Unaudited)**

|                                       | <b>Gross Debt<br/>Outstanding</b> | <b>Percentage<br/>Applicable</b> | <b>Share of<br/>Overlapping Debt</b> |
|---------------------------------------|-----------------------------------|----------------------------------|--------------------------------------|
| <u>Direct Debt</u>                    |                                   |                                  |                                      |
| St. Tammany Parish School Board       | <u>\$ 215,666,739</u>             | 100.00%                          | <u>\$ 215,666,739</u>                |
| <u>Overlapping Debt:</u>              |                                   |                                  |                                      |
| City of Abita Springs                 | 1,254,000                         | 100.00%                          | 1,254,000                            |
| City of Covington                     | 10,172,900                        | 100.00%                          | 10,172,900                           |
| City of Mandeville                    | 2,915,000                         | 100.00%                          | 2,915,000                            |
| City of Slidell                       | 16,686,533                        | 100.00%                          | 16,686,533                           |
| Fire Protection Districts             | 6,458,491                         | 100.00%                          | 6,458,491                            |
| Gravity Drainage District No. 5       | 1,330,000                         | 100.00%                          | 1,330,000                            |
| Northshore Harbor Center              | 5,970,000                         | 100.00%                          | 5,970,000                            |
| Sub-Drainage Districts                | 412,000                           | 100.00%                          | 412,000                              |
| Recreation Districts                  | 25,789,000                        | 100.00%                          | 25,789,000                           |
| Sewerage Districts                    | 225,000                           | 100.00%                          | 225,000                              |
| Sheriff                               | 16,941,448                        | 100.00%                          | 16,941,448                           |
| Hospital Service District No. 1       | -                                 | 100.00%                          | -                                    |
| Hospital Service District No. 2       | 87,670,713                        | 100.00%                          | 87,670,713                           |
| Water District No. 2                  | 1,891,000                         | 100.00%                          | 1,891,000                            |
| Parish Council                        | <u>94,804,014</u>                 | 100.00%                          | <u>94,804,014</u>                    |
| <br>Total Overlapping Debt            | <br><u>272,520,099</u>            |                                  | <br><u>272,520,099</u>               |
| <br>Total Direct and Overlapping Debt | <br><u>\$ 488,186,838</u>         |                                  | <br><u>\$ 488,186,838</u>            |

Source: Comprehensive Annual Report and most current financial statements for each governmental entity.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Parish. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government. The percentage overlap is calculated by dividing the amount of the revenue base from which the debt will be repaid contained within the overlapping area by the total revenue base of the overlapping government.

See independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Table 14**

**Pledged Revenue Coverage  
Last Ten Fiscal Years  
(Unaudited)**

| <b>Fiscal<br/>Year</b> | <b>Sales Tax Bonds</b> |                     |                 |                 |  |
|------------------------|------------------------|---------------------|-----------------|-----------------|--|
|                        | <b>Sales<br/>Taxes</b> | <b>Debt Service</b> |                 | <b>Coverage</b> |  |
|                        |                        | <b>Principal</b>    | <b>Interest</b> |                 |  |
| 2014                   | \$ 85,228,553          | \$ -                | \$ -            | 0.00            |  |
| 2013                   | 82,874,124             | -                   | -               | 0.00            |  |
| 2012                   | 77,922,516             | -                   | -               | 0.00            |  |
| 2011                   | 75,235,263             | -                   | -               | 0.00            |  |
| 2010                   | 72,079,382             | -                   | -               | 0.00            |  |
| 2009                   | 77,359,837             | -                   | -               | 0.00            |  |
| 2008                   | 93,281,812             | -                   | -               | 0.00            |  |
| 2007                   | 89,671,372             | 1,855,000           | 76,105          | 46.44           |  |
| 2006                   | 89,743,764             | 1,750,000           | 198,275         | 46.06           |  |
| 2005                   | 65,696,266             | 1,650,000           | 289,025         | 33.88           |  |

Note: Details regarding the School Board's outstanding debt can be found in the notes to the basic financial statements.

See independent auditor's report.



"Red  
Angele Boulanger - Grade 5  
Robyn Kennedy - Teacher  
Mandeville Middle School

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Table 15**

**Demographic Statistics  
Last Ten Fiscal Years  
(Unaudited)**

| <b>Fiscal Year</b> | <b>Population (1)</b> | <b>Total Personal Income (1)</b> | <b>Per Capita Personal Income (1)</b> | <b>Median Age (3)</b> | <b>Public School Enrollment (4)</b> | <b>Unemployment Rate (5)</b> |
|--------------------|-----------------------|----------------------------------|---------------------------------------|-----------------------|-------------------------------------|------------------------------|
| 2014               | 242,333               | (2)                              | (2)                                   | (2)                   | 38,044                              | 5.1                          |
| 2013               | 239,453               | \$ 11,722,182,162                | \$ 48,954                             | (2)                   | 37,926                              | 5.2                          |
| 2012               | 236,785               | 11,249,181,780                   | 47,508                                | (2)                   | 37,508                              | 5.7                          |
| 2011               | 234,591               | 10,688,435,142                   | 45,562                                | 37                    | 37,112                              | 5.7                          |
| 2010               | 231,224               | 10,241,142,184                   | 44,291                                | 37                    | 36,441                              | 5.3                          |
| 2009               | 229,252               | 10,468,334,076                   | 45,663                                | 37                    | 35,878                              | 3.6                          |
| 2008               | 226,394               | 10,099,662,734                   | 44,611                                | 37                    | 35,534                              | 2.8                          |
| 2007               | 223,133               | 8,742,127,807                    | 39,179                                | 37                    | 35,281                              | 3.6                          |
| 2006               | 217,358               | 7,884,226,734                    | 36,273                                | 35                    | 32,983                              | 7.6                          |
| 2005               | 211,405               | 7,240,832,655                    | 34,251                                | 35                    | 36,162                              | 4.0                          |

Note: All information is Parish Wide.

**Sources:**

- (1) Bureau of Economic Analysis.
- (2) Information is not available at this time.
- (3) Estimates - Louisiana Tech University for the U.S. Bureau of Census.
- (4) St. Tammany Parish School System - October 1 enrollment.
- (5) Louisiana Workforce Commission.

See independent auditor's report.



**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Table 16**

**Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)**

| Employer                            | Location          | 2014           |      |   | 2005          |      |   |
|-------------------------------------|-------------------|----------------|------|---|---------------|------|---|
|                                     |                   | Employees      | Rank | % of Total<br>St. Tammany<br>Parish<br>Employment | Employees     | Rank | % of Total<br>St. Tammany<br>Parish<br>Employment |
| St. Tammany Parish School Board     | Slidell/Covington | 5,399          | 1    | 5.08%   | 4,651         | 1    | 8.52%   |
| St. Tammany Parish Hospital         | Covington         | 1,715          | 2    | 1.61%   | 1,500         | 2    | 1.67%   |
| Slidell Memorial Hospital           | Slidell           | 1,186          | 3    | 1.12%   | 1,022         | 4    | 1.14%   |
| Walmart                             | Parish Wide       | 1,125          | 4    | 1.06%   | 1,125         | 3    | 1.25%   |
| Ochsner Health System               | Slidell           | 1,091          | 5    | 1.03%   |               |      |   |
| Lakeview Regional Medical Center    | Covington         | 807            | 6    | 0.76%   | 715           | 5    | 0.80%   |
| St. Tammany Parish Sheriff's Office | Parish Wide       | 747            | 7    | 0.70%   | 650           | 6    | 0.72%   |
| St. Tammany Parish Government       | Parish Wide       | 718            | 8    | 0.68%   | 518           | 8    | 0.58%   |
| Southeast Louisiana Hospital        | Mandeville        | 592            | 9    | 0.56%   | 621           | 7    | 0.69%   |
| Chevron, USA                        | Covington         | 550            | 10   | 0.56%   |               |      |   |
| Home Depot                          | Parish Wide       |                |      |   | 500           | 9    | 0.56%   |
| Northshore Regional Medical Center  | Covington         |                |      |   | 490           | 10   | 0.55%   |
| <b>TOTAL - 10 LARGEST EMPLOYERS</b> |                   | <b>13,930</b>  |      | <b>13.16%</b>                                     | <b>11,792</b> |      | <b>15.48%</b>                                     |
| <b>TOTAL - ALL EMPLOYERS</b>        |                   | <b>106,324</b> |      |   | <b>89,800</b> |      |   |

Note: Information listed is for St. Tammany Parish.

**Sources:**

2014 information: Book of Lists 2013, New Orleans City Business

2005 information: Book of Lists 2004, New Orleans City Business

See independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**General Fund Expenditures by Function  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)  
(Unaudited)**

|                                       | Fiscal Year Ended June 30, |                         |                         |                         |                         |
|---------------------------------------|----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                       | 2014                       | 2013                    | 2012                    | 2011                    | 2010                    |
| <b>EXPENDITURES</b>                   |                            |                         |                         |                         |                         |
| Current:                              |                            |                         |                         |                         |                         |
| Instruction:                          |                            |                         |                         |                         |                         |
| Regular Education Programs            | \$ 150,227,695<br>40.2%    | \$ 139,221,054<br>39.0% | \$ 138,129,144<br>37.9% | \$ 127,638,638<br>36.4% | \$ 141,575,240<br>39.6% |
| Special Education Programs            | 65,058,237<br>17.4%        | 61,472,195<br>17.2%     | 62,475,444<br>17.1%     | 72,393,596<br>20.7%     | 66,511,757<br>18.6%     |
| Other Education Programs              | 16,046,187<br>4.3%         | 16,916,287<br>4.7%      | 18,062,290<br>5.0%      | 18,018,922<br>5.1%      | 19,770,194<br>5.5%      |
| Support Services:                     |                            |                         |                         |                         |                         |
| Pupil Support                         | 22,450,802<br>6.0%         | 21,567,548<br>6.0%      | 22,768,533<br>6.2%      | 16,247,433<br>4.6%      | 15,317,509<br>4.3%      |
| Instructional Staff Support           | 9,757,477<br>2.6%          | 9,681,273<br>2.7%       | 12,145,627<br>3.3%      | 12,307,671<br>3.5%      | 12,263,416<br>3.4%      |
| General Administration                | 6,915,707<br>1.8%          | 6,752,193<br>1.9%       | 6,664,466<br>1.8%       | 6,371,730<br>1.8%       | 5,771,159<br>1.6%       |
| School Administration                 | 23,565,806<br>6.3%         | 22,823,310<br>6.4%      | 23,180,018<br>6.4%      | 18,802,241<br>5.4%      | 22,586,811<br>6.3%      |
| Business Administration               | 2,326,710<br>0.6%          | 2,300,737<br>0.6%       | 2,570,734<br>0.7%       | 2,742,932<br>0.8%       | 2,785,891<br>0.8%       |
| Operation and Maintenance of Plant    | 36,574,084<br>9.8%         | 35,805,731<br>10.0%     | 36,572,270<br>10.0%     | 30,751,904<br>8.8%      | 27,724,037<br>7.8%      |
| Pupil Transportation                  | 33,221,239<br>8.9%         | 32,810,682<br>9.2%      | 33,620,868<br>9.2%      | 32,764,770<br>9.4%      | 30,878,619<br>8.6%      |
| Central Services                      | 6,015,842<br>1.6%          | 5,978,237<br>1.7%       | 6,461,713<br>1.8%       | 6,819,001<br>1.9%       | 6,994,544<br>2.0%       |
| Food Service                          | 22,740<br>0.0%             | 21,810<br>0.0%          | 26,041<br>0.0%          | 3,705,046<br>1.1%       | 4,643,040<br>1.3%       |
| Community Service Programs            | 1,282,471<br>0.3%          | 1,244,554<br>0.3%       | 1,218,701<br>0.3%       | 1,253,851<br>0.4%       | 41,572<br>0.0%          |
| Facility Acquisition and Construction | 597,756<br>0.2%            | 386,670<br>0.1%         | 453,760<br>0.1%         | 499,088<br>0.1%         | 550,933<br>0.2%         |
| Total                                 | <u>\$374,062,753</u>       | <u>\$356,982,281</u>    | <u>\$364,349,609</u>    | <u>\$350,316,823</u>    | <u>\$357,414,722</u>    |
| Pupil Count - October 1* (1)          | 38,044                     | 37,926                  | 37,508                  | 37,112                  | 36,441                  |
| Average Expenditures per Pupil        | \$ 9,832                   | \$ 9,413                | \$ 9,714                | \$ 9,439                | \$ 9,808                |

\* The enrollment date for fiscal year 2006 was May 1st. Due to the Hurricanes Katrina and Rita, the State changed the official count date for this year.

Source: Comprehensive Annual Financial Reports.

(1) Source: Table 15

See independent auditor's report.

Table 17

| Fiscal Year Ended June 30, |                       |                       |                       |                       |
|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2009                       | 2008                  | 2007                  | 2006                  | 2005                  |
| \$ 130,207,662             | \$ 125,334,360        | \$ 116,533,437        | \$ 107,681,928        | \$ 104,174,091        |
| 38.5%                      | 38.5%                 | 39.9%                 | 40.1%                 | 39.7%                 |
| 63,837,725                 | 60,639,649            | 55,207,855            | 52,170,569            | 51,107,095            |
| 18.9%                      | 18.6%                 | 18.9%                 | 19.4%                 | 19.5%                 |
| 19,483,249                 | 19,534,808            | 18,059,434            | 15,503,672            | 16,645,679            |
| 5.8%                       | 6.0%                  | 6.2%                  | 5.8%                  | 6.3%                  |
| 13,034,102                 | 12,517,677            | 11,341,485            | 10,761,158            | 10,497,568            |
| 3.9%                       | 3.8%                  | 3.9%                  | 4.0%                  | 4.0%                  |
| 11,454,831                 | 11,172,252            | 9,966,612             | 8,605,218             | 9,483,692             |
| 3.4%                       | 3.4%                  | 3.4%                  | 3.2%                  | 3.6%                  |
| 5,310,519                  | 5,468,199             | 4,481,066             | 3,941,547             | 3,919,232             |
| 1.6%                       | 1.7%                  | 1.5%                  | 1.5%                  | 1.5%                  |
| 20,700,136                 | 18,860,194            | 16,391,966            | 15,635,798            | 14,873,424            |
| 6.1%                       | 5.8%                  | 5.6%                  | 5.8%                  | 5.7%                  |
| 2,439,653                  | 2,394,116             | 2,209,097             | 2,051,238             | 1,988,667             |
| 0.7%                       | 0.7%                  | 0.8%                  | 0.8%                  | 0.8%                  |
| 31,501,168                 | 32,005,941            | 27,668,889            | 24,166,782            | 23,348,511            |
| 9.3%                       | 9.8%                  | 9.5%                  | 9.0%                  | 8.9%                  |
| 29,398,044                 | 27,577,394            | 22,643,116            | 21,381,303            | 19,637,903            |
| 8.7%                       | 8.5%                  | 7.7%                  | 8.0%                  | 7.5%                  |
| 7,685,796                  | 6,751,697             | 4,395,586             | 3,551,372             | 4,046,080             |
| 2.3%                       | 2.1%                  | 1.5%                  | 1.3%                  | 1.5%                  |
| 2,824,364                  | 3,000,253             | 2,887,032             | 2,890,212             | 2,414,169             |
| 0.8%                       | 0.9%                  | 1.0%                  | 1.1%                  | 0.9%                  |
| 42,226                     | 44,254                | 43,817                | 41,598                | 45,091                |
| 0.0%                       | 0.0%                  | 0.0%                  | 0.0%                  | 0.0%                  |
| 498,371                    | 550,755               | 569,187               | 429,498               | 383,153               |
| 0.1%                       | 0.2%                  | 0.2%                  | 0.2%                  | 0.1%                  |
| <u>\$ 338,417,846</u>      | <u>\$ 325,851,549</u> | <u>\$ 292,398,579</u> | <u>\$ 268,811,893</u> | <u>\$ 262,564,355</u> |
| 35,878                     | 35,534                | 35,281                | 32,983                | 36,162                |
| \$ 9,432                   | \$ 9,170              | \$ 8,288              | \$ 8,150              | \$ 7,261              |

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**General Fund Expenditures by Function per Pupil  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)  
(Unaudited)**

|                                       | Fiscal Year Ended June 30, |                   |                   |                   |                   |
|---------------------------------------|----------------------------|-------------------|-------------------|-------------------|-------------------|
|                                       | 2014                       | 2013              | 2012              | 2011              | 2010              |
| <b><u>EXPENDITURES</u></b>            |                            |                   |                   |                   |                   |
| Current:                              |                            |                   |                   |                   |                   |
| Instruction:                          |                            |                   |                   |                   |                   |
| Regular Education Programs            | \$ 3,949<br>40.2%          | \$ 3,671<br>39.0% | \$ 3,683<br>37.9% | \$ 3,439<br>36.4% | \$ 3,885<br>39.6% |
| Special Education Programs            | 1,710<br>17.4%             | 1,621<br>17.2%    | 1,666<br>17.1%    | 1,951<br>20.7%    | 1,825<br>18.6%    |
| Other Education Programs              | 422<br>4.3%                | 446<br>4.7%       | 482<br>5.0%       | 486<br>5.1%       | 543<br>5.5%       |
| Support Services:                     |                            |                   |                   |                   |                   |
| Pupil Support                         | 590<br>6.0%                | 569<br>6.0%       | 607<br>6.2%       | 438<br>4.6%       | 420<br>4.3%       |
| Instructional Staff Support           | 256<br>2.6%                | 255<br>2.7%       | 324<br>3.3%       | 332<br>3.5%       | 337<br>3.4%       |
| General Administration                | 182<br>1.8%                | 178<br>1.9%       | 178<br>1.8%       | 172<br>1.8%       | 158<br>1.6%       |
| School Administration                 | 619<br>6.3%                | 602<br>6.4%       | 618<br>6.4%       | 507<br>5.4%       | 620<br>6.3%       |
| Business Administration               | 61<br>0.6%                 | 61<br>0.6%        | 69<br>0.7%        | 74<br>0.8%        | 76<br>0.8%        |
| Operation and Maintenance of Plant    | 961<br>9.8%                | 944<br>10.0%      | 975<br>10.0%      | 829<br>8.8%       | 761<br>7.8%       |
| Pupil Transportation                  | 873<br>8.9%                | 865<br>9.2%       | 896<br>9.2%       | 883<br>9.4%       | 847<br>8.6%       |
| Central Services                      | 158<br>1.6%                | 158<br>1.7%       | 172<br>1.8%       | 184<br>1.9%       | 192<br>2.0%       |
| Food Service                          | 1<br>0.0%                  | 1<br>0.0%         | 1<br>0.0%         | 100<br>1.1%       | 127<br>1.3%       |
| Community Service Programs            | 34<br>0.3%                 | 33<br>0.3%        | 32<br>0.3%        | 34<br>0.4%        | 1<br>0.0%         |
| Facility Acquisition and Construction | 16<br>0.2%                 | 10<br>0.1%        | 12<br>0.1%        | 13<br>0.1%        | 15<br>0.2%        |
| Total                                 | \$ 9,832                   | \$ 9,413          | \$ 9,714          | \$ 9,439          | \$ 9,808          |

|                              |        |        |        |        |        |
|------------------------------|--------|--------|--------|--------|--------|
| Pupil Count - October 1* (1) | 38,044 | 37,926 | 37,508 | 37,112 | 36,441 |
|------------------------------|--------|--------|--------|--------|--------|

\* The enrollment date for fiscal year 2006 was May 1st. Due to Hurricanes Katrina and Rita, the State changed the official count date for this year.

Source: Comprehensive Annual Financial Reports.

(1) Source: Table 15

See independent auditor's report.

Table 18

| Fiscal Year Ended June 30, |          |          |          |          |
|----------------------------|----------|----------|----------|----------|
| 2009                       | 2008     | 2007     | 2006     | 2005     |
| \$ 3,629                   | \$ 3,527 | \$ 3,303 | \$ 3,265 | \$ 2,881 |
| 38.5%                      | 38.5%    | 39.9%    | 40.1%    | 39.7%    |
| 1,779                      | 1,707    | 1,565    | 1,582    | 1,413    |
| 18.9%                      | 18.6%    | 18.9%    | 19.4%    | 19.5%    |
| 543                        | 550      | 512      | 470      | 460      |
| 5.8%                       | 6.0%     | 6.2%     | 5.8%     | 6.3%     |
| 363                        | 352      | 321      | 326      | 290      |
| 3.9%                       | 3.8%     | 3.9%     | 4.0%     | 4.0%     |
| 319                        | 314      | 282      | 261      | 262      |
| 3.4%                       | 3.4%     | 3.4%     | 3.2%     | 3.6%     |
| 148                        | 154      | 127      | 120      | 108      |
| 1.6%                       | 1.7%     | 1.5%     | 1.5%     | 1.5%     |
| 577                        | 531      | 465      | 474      | 411      |
| 6.1%                       | 5.8%     | 5.6%     | 5.8%     | 5.7%     |
| 68                         | 67       | 63       | 62       | 55       |
| 0.7%                       | 0.7%     | 0.8%     | 0.8%     | 0.8%     |
| 878                        | 901      | 784      | 733      | 646      |
| 9.3%                       | 9.8%     | 9.5%     | 9.0%     | 8.9%     |
| 819                        | 776      | 642      | 648      | 543      |
| 8.7%                       | 8.5%     | 7.7%     | 8.0%     | 7.5%     |
| 214                        | 190      | 125      | 108      | 112      |
| 2.3%                       | 2.1%     | 1.5%     | 1.3%     | 1.5%     |
| 79                         | 84       | 82       | 88       | 67       |
| 0.8%                       | 0.9%     | 1.0%     | 1.1%     | 0.9%     |
| 1                          | 1        | 1        | 1        | 1        |
| 0.0%                       | 0.0%     | 0.0%     | 0.0%     | 0.0%     |
| 14                         | 15       | 16       | 13       | 11       |
| 0.1%                       | 0.2%     | 0.2%     | 0.2%     | 0.1%     |
| \$ 9,432                   | \$ 9,170 | \$ 8,288 | \$ 8,150 | \$ 7,261 |
| 35,878                     | 35,534   | 35,281   | 32,983   | 36,162   |

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Table 19**

**Board Members' Compensation  
For the Year Ended June 30, 2014  
(Unaudited)**

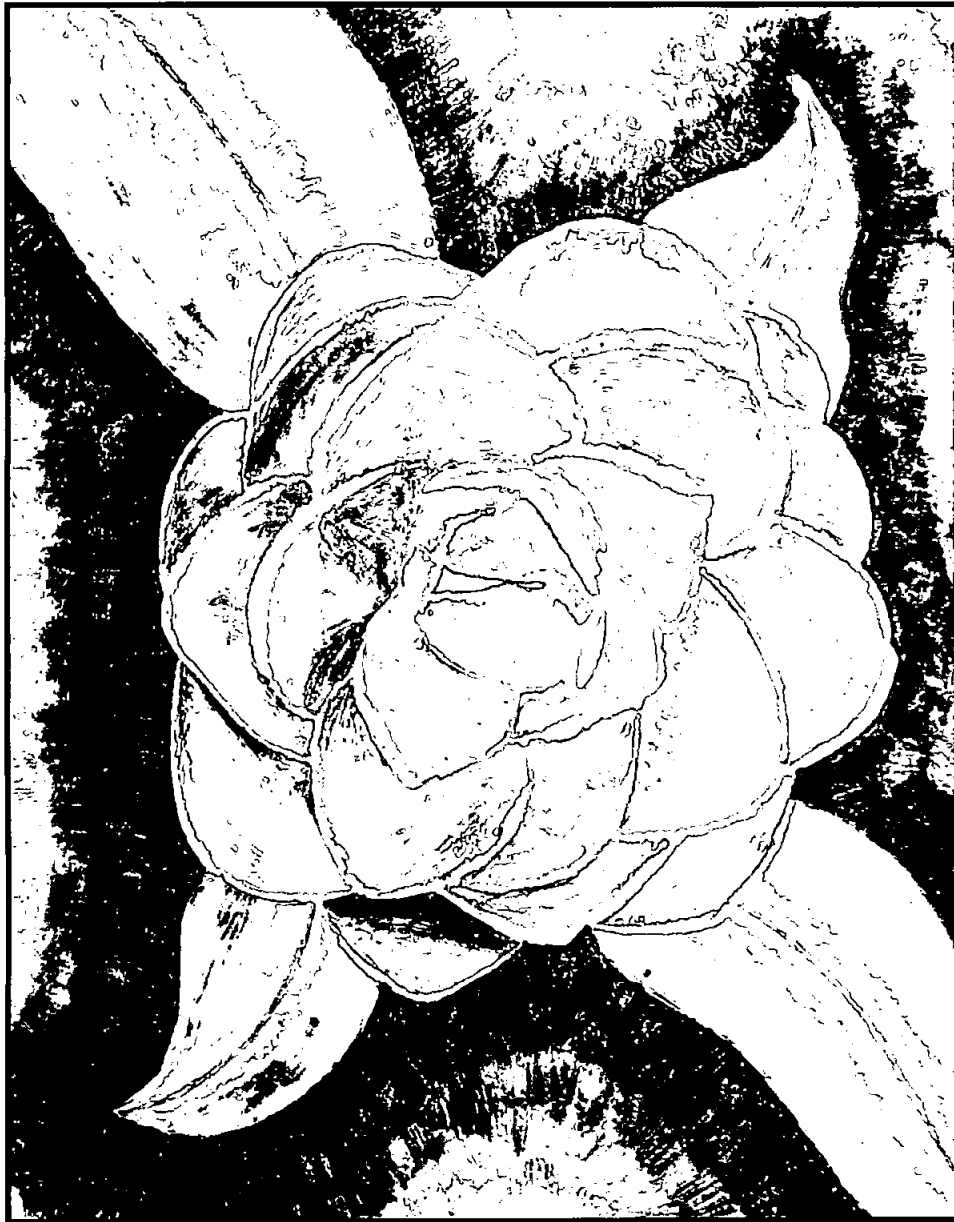
| <b>Name</b>                 | <b>Compensation<br/>Base (1)</b> | <b>Additional<br/>Compensation</b> | <b>Total</b>      |
|-----------------------------|----------------------------------|------------------------------------|-------------------|
| Ray A. Alfred               | \$ 9,600                         | \$ -                               | \$ 9,600          |
| Mary K. Bellisario          | 9,600                            | -                                  | 9,600             |
| Ronald "Ron" Bettencourt    | 9,600                            | -                                  | 9,600             |
| Michael J. Dirmann          | 9,600                            | -                                  | 9,600             |
| Charles T. Harrell          | 9,600                            | -                                  | 9,600             |
| Elizabeth B. Heintz (2)     | 10,800                           | -                                  | 10,800            |
| Neal Hennegan               | 9,600                            | -                                  | 9,600             |
| Willie B. Jeter             | 9,600                            | -                                  | 9,600             |
| John C. Lamarque            | 9,600                            | -                                  | 9,600             |
| Stephen J. "Jack" Loup, III | 9,600                            | -                                  | 9,600             |
| Robin Mullett               | 9,600                            | -                                  | 9,600             |
| James "Ronnie" Panks, Sr.   | 9,600                            | -                                  | 9,600             |
| Peggy H. Seeley             | 9,600                            | -                                  | 9,600             |
| Roanne Tipton               | 9,600                            | -                                  | 9,600             |
| Robert R. "Bob" Womack      | 9,600                            | -                                  | 9,600             |
|                             | <u>\$ 145,200</u>                | <u>\$ -</u>                        | <u>\$ 145,200</u> |

**Notes:**

(1) Base compensation per member is \$800 per month.

(2) Presiding President of the Board receives \$900 per month in base compensation.

See independent auditor's report.



**"The Queen of the Winter Flowers"**

**Jenna Brown - Grade 6**

**LeighAnn McGraw - Teacher**

**Little Oak Middle School**

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Full-Time Equivalents (FTE) Employees  
Last Ten Fiscal Years  
(Unaudited)**

|  | Fiscal Year  |              |              |              |
|--|--------------|--------------|--------------|--------------|
|  | 2014         | 2013         | 2012         | 2011         |
| <b>Regular Employees: CERTIFICATED</b>                           |              |              |              |              |
| <b>Instructional:</b>  |              |              |              |              |
| Supervising Instructors  | 1            | 1            | 1            | -            |
| Classroom Teachers - Regular Education                           | 1,783        | 1,761        | 1,770        | 1,712        |
| Classroom Teachers - Special Education                           | 595          | 582          | 601          | 634          |
| Classroom Teachers - Vocational Education                        | 60           | 59           | 61           | 63           |
| Classroom Teachers - Other Instructional Programs                | 28           | 31           | 50           | 54           |
| Classroom Teachers - Special Programs                            | 63           | 81           | 81           | 81           |
| Classroom Teachers - Adult/Continuing Ed Programs                | -            | -            | -            | -            |
| Classroom Teachers - Community College Programs                  | 15           | 16           | 16           | 16           |
| <i>Total Classroom Teachers</i>                                  | <u>2,545</u> | <u>2,531</u> | <u>2,580</u> | <u>2,560</u> |
| Therapist/Specialist/Counselor - Instructional Programs          | -            | -            | -            | -            |
| Sabbatical Leave - Instructional Programs                        | -            | -            | -            | -            |
| <i>Total Certificated - Instructional Programs</i>               | <u>2,545</u> | <u>2,531</u> | <u>2,580</u> | <u>2,560</u> |
| <b>Instructional Support:</b>                                    |              |              |              |              |
| Supervisors - Instructional Support Functions                    | 33           | 38           | 42           | 42           |
| Librarians/Media-Based Teachers/Staff Instructors - Instr Spt    | 54           | 71           | 73           | 72           |
| Therapist/Specialist/Counselor - Instructional Support Functions | 274          | 262          | 276          | 277          |
| Sabbatical Leave - Instructional Support Functions               | -            | -            | -            | -            |
| <i>Total Certificated - Instructional Support</i>                | <u>361</u>   | <u>371</u>   | <u>391</u>   | <u>391</u>   |
| <b>Support Services:</b>   |              |              |              |              |
| Superintendents  | 1            | 1            | 1            | 1            |
| Assistant/Associate/Deputy Superintendents                       | 2            | 3            | 3            | 3            |
| School Principals  | 56           | 57           | 57           | 55           |
| School Assistant Principals                                      | 76           | 74           | 77           | 76           |
| Other School Administrators                                      | 2            | 2            | 3            | -            |
| Sabbatical Leave - Support Services                              | -            | -            | -            | -            |
| <i>Total Certificated - Support Services</i>                     | <u>137</u>   | <u>137</u>   | <u>141</u>   | <u>135</u>   |
| <b>Total Certificated</b>  | <u>3,043</u> | <u>3,039</u> | <u>3,112</u> | <u>3,086</u> |

Source: Louisiana Department of Education Planning, Analysis, and Information Resources website.

See independent auditor's report.



Table 20

| Fiscal Year |       |       |       |       |       |
|-------------|-------|-------|-------|-------|-------|
| 2010        | 2009  | 2008  | 2007  | 2006  | 2005  |
| -           | -     | -     | -     | -     | -     |
| 1,661       | 1,767 | 1,752 | 1,699 | 1,651 | 1,652 |
| 738         | 596   | 588   | 574   | 581   | 620   |
| 65          | 65    | 66    | 68    | 68    | 68    |
| 57          | 111   | 114   | 152   | 150   | 154   |
| 76          | 75    | 80    | 76    | 78    | 75    |
| 3           | 3     | 3     | 3     | 3     | 3     |
| 16          | -     | -     | -     | -     | -     |
| 2,616       | 2,617 | 2,603 | 2,572 | 2,531 | 2,572 |
| 1           | 131   | 131   | 129   | 123   | 128   |
| 30          | 40    | 28    | 39    | 24    | 27    |
| 2,647       | 2,788 | 2,762 | 2,740 | 2,678 | 2,727 |
| 31          | 37    | 41    | 50    | 55    | 30    |
| 70          | 67    | 67    | 67    | 55    | 58    |
| 273         | 155   | 143   | 141   | 136   | 137   |
| 4           | 1     | 3     | 4     | 1     | 3     |
| 378         | 260   | 254   | 262   | 247   | 228   |
| 1           | 1     | 1     | 1     | 1     | 1     |
| 3           | 3     | 3     | 3     | 3     | 3     |
| 58          | 55    | 53    | 53    | 52    | 53    |
| 76          | 78    | 74    | 69    | 64    | 63    |
| -           | -     | -     | -     | -     | -     |
| 1           | -     | 2     | 1     | 1     | 3     |
| 139         | 137   | 133   | 127   | 121   | 123   |
| 3,164       | 3,185 | 3,149 | 3,129 | 3,046 | 3,078 |

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Full-Time Equivalents (FTE) Employees  
Last Ten Fiscal Years  
(Unaudited)**

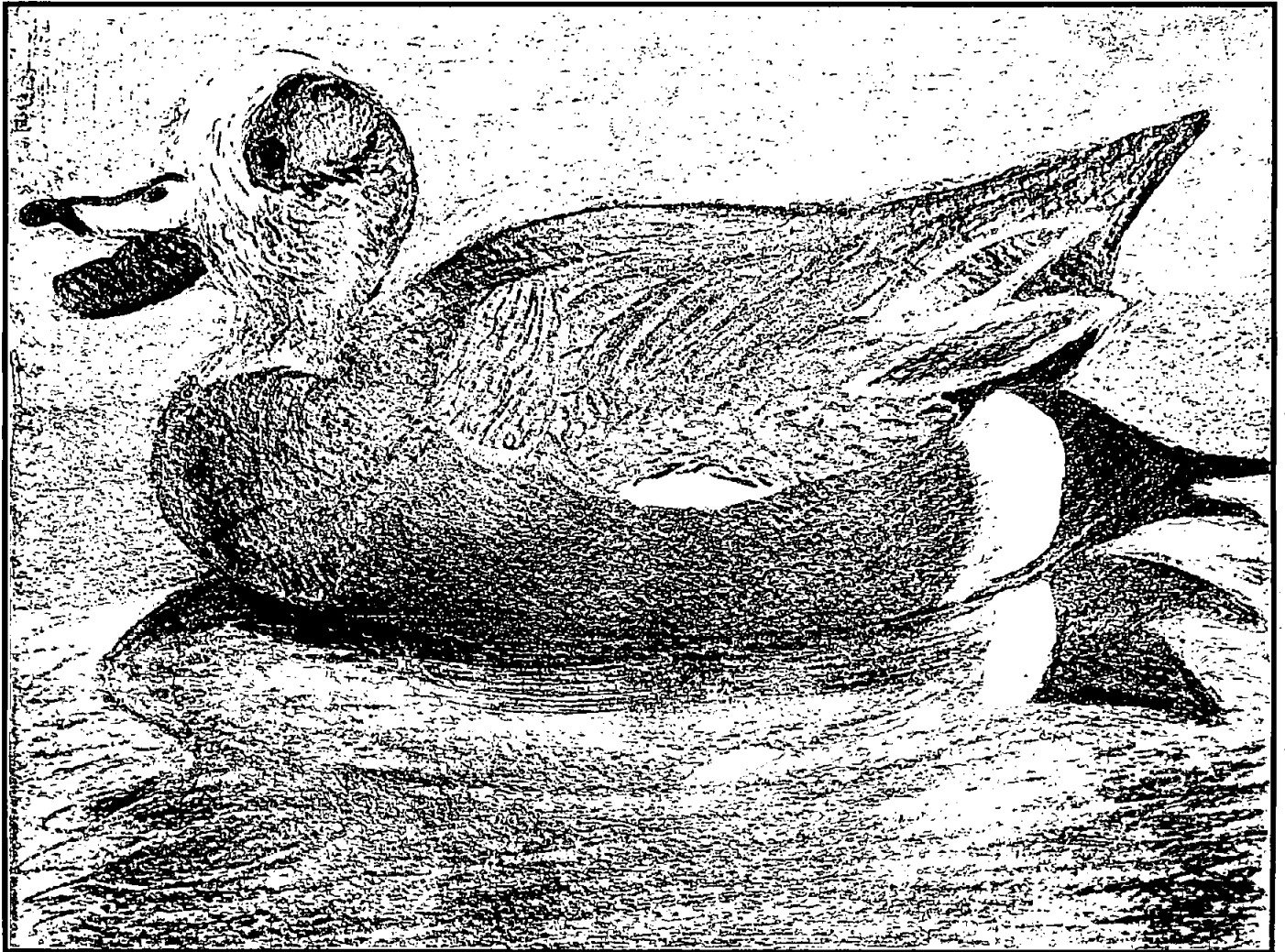
|  | Fiscal Year  |              |              |              |
|--|--------------|--------------|--------------|--------------|
|  | 2014         | 2013         | 2012         | 2011         |
| <b><u>Regular Employees: NON-CERTIFICATED</u></b>                  |              |              |              |              |
| <b>Instructional:</b>  |              |              |              |              |
| Aide - Instructional Programs                                      | 574          | 539          | 560          | 547          |
| <i>Total Non-Certificated - Instructional Programs</i>             | <u>574</u>   | <u>539</u>   | <u>560</u>   | <u>547</u>   |
| <b>Instructional Support:</b>                                      |              |              |              |              |
| Clerical/Secretarial - Instructional Support Functions             | 36           | 36           | 38           | 50           |
| Aide - Instructional Support Functions                             | 21           | 20           | 23           | 26           |
| Skilled Craftsman - Instructional Support Functions                | -            | -            | -            | -            |
| Degreed Professional - Instructional Support Functions             | 27           | 29           | 31           | 21           |
| Other Personnel - Instructional Support Functions                  | 13           | 16           | 16           | 25           |
| <i>Total Non-Certificated - Instructional Support</i>              | <u>97</u>    | <u>101</u>   | <u>108</u>   | <u>122</u>   |
| <b>Support Services:</b>   |              |              |              |              |
| Supervisors/Managers/Administrators/Support Services               | 139          | 138          | 141          | 145          |
| Clerical/Secretarial - Support Services                            | 215          | 212          | 215          | 206          |
| Aide - Support Services  | 122          | 121          | 118          | 107          |
| Service Worker - Support Services                                  | 934          | 946          | 941          | 918          |
| Skilled Craftsman - Support Services                               | 81           | 88           | 98           | 103          |
| Degreed Professional - Support Services                            | 42           | 50           | 57           | 58           |
| Other Personnel - Support Services                                 | 9            | 9            | 10           | 7            |
| <i>Total Non-Certificated - Support Services</i>                   | <u>1,542</u> | <u>1,564</u> | <u>1,580</u> | <u>1,544</u> |
| <b>Total Non-Certificated</b>                                      | <u>2,213</u> | <u>2,204</u> | <u>2,248</u> | <u>2,213</u> |
| <b>Total Regular Employees (Certificated and Non-Certificated)</b> | <u>5,256</u> | <u>5,243</u> | <u>5,360</u> | <u>5,299</u> |
| <b><u>Other Reported Personnel</u></b>                             |              |              |              |              |
| School Board Members   | 15           | 15           | 15           | 15           |
| <i>Total Other Reported Personnel</i>                              | <u>15</u>    | <u>15</u>    | <u>15</u>    | <u>15</u>    |
| <b>Grand Total</b>   | <u>5,271</u> | <u>5,258</u> | <u>5,375</u> | <u>5,314</u> |

Source: Louisiana Department of Education Planning, Analysis, and Information Resources website.

See independent auditor's report.

Table 20 (Continued)

| Fiscal Year |       |       |       |       |       |
|-------------|-------|-------|-------|-------|-------|
| 2010        | 2009  | 2008  | 2007  | 2006  | 2005  |
| 541         | 534   | 537   | 529   | 542   | 566   |
| 541         | 534   | 537   | 529   | 542   | 566   |
| 53          | 55    | 56    | 51    | 49    | 49    |
| 35          | 34    | 37    | 36    | 36    | 34    |
| -           | -     | -     | 1     | 1     | 1     |
| 20          | 19    | 20    | 19    | 20    | 21    |
| 30          | 18    | 18    | 18    | 20    | 17    |
| 138         | 126   | 131   | 125   | 126   | 122   |
| 148         | 143   | 129   | 133   | 129   | 126   |
| 216         | 208   | 200   | 194   | 195   | 192   |
| 107         | 111   | 104   | 96    | 101   | 166   |
| 945         | 919   | 945   | 864   | 859   | 817   |
| 109         | 93    | 89    | 84    | 87    | 92    |
| 58          | 53    | 39    | 28    | 29    | 23    |
| 4           | 23    | 24    | 24    | 23    | 24    |
| 1,587       | 1,550 | 1,530 | 1,423 | 1,423 | 1,440 |
| 2,266       | 2,210 | 2,198 | 2,077 | 2,091 | 2,128 |
| 5,430       | 5,395 | 5,347 | 5,206 | 5,137 | 5,206 |
| 15          | 15    | 15    | 15    | 15    | 15    |
| 15          | 15    | 15    | 15    | 15    | 15    |
| 5,445       | 5,410 | 5,362 | 5,221 | 5,152 | 5,221 |



"Floating"  
Julie Marcus - Grade 7  
Lynda Thurlow - Teacher  
Madisonville Jr. High School

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Table 21**

**Capital Asset Information  
June 30, 2014  
(Unaudited)**

| <b><u>Elementary Schools</u></b>        |                        |                           |                   |
|---|------------------------|---------------------------|-------------------|
| <b>Schools</b>                          | <b>Year<br/>Opened</b> | <b>Square<br/>Footage</b> | <b>Enrollment</b> |
| Abita Springs Elementary                | 1978                   | 102,099                   | 750               |
| Abney Elementary                        | 1964                   | 109,416                   | 855               |
| Abney Elementary Early Childhood Center | 2011                   | 26,266                    | 277               |
| Alton Elementary                        | 1957                   | 46,871                    | 221               |
| Bayou Woods Elementary                  | 1985                   | 101,722                   | 445               |
| Bonne Ecole Elementary                  | 1973                   | 90,491                    | 774               |
| Brock Elementary                        | 1930                   | 49,031                    | 330               |
| Chahta-Ima Elementary                   | 1952                   | 52,455                    | 304               |
| Covington Elementary                    | 1956                   | 81,561                    | 619               |
| Cypress Cove Elementary                 | 1994                   | 101,061                   | 745               |
| Florida Avenue Elementary               | 1956                   | 80,108                    | 581               |
| Folsom Elementary                       | 1949                   | 76,941                    | 439               |
| Honey Island Elementary                 | 1987                   | 79,100                    | 656               |
| Lancaster Elementary                    | 2011                   | 119,582                   | 724               |
| Little Pearl Elementary                 | 2008                   | 42,124                    | 126               |
| Lyon Elementary                         | 1963                   | 79,882                    | 622               |
| Madisonville Elementary                 | 1956                   | 84,509                    | 798               |
| Magnolia Trace Elementary               | 1999                   | 87,825                    | 381               |
| Mandeville Elementary                   | 1966                   | 72,693                    | 570               |
| Marigny Elementary                      | 2009                   | 81,627                    | 508               |
| Mayfield Elementary                     | 2012                   | 106,309                   | 806               |
| Pontchartrain Elementary                | 1994                   | 106,589                   | 771               |
| Riverside Elementary                    | 1986                   | 85,989                    | 451               |
| Sixth Ward Elementary                   | 1949                   | 97,262                    | 409               |
| Whispering Forest Elementary            | 1989                   | 89,887                    | 526               |
| Woodlake Elementary                     | 1962                   | 72,210                    | 643               |
| Totals                                  |                        | <u>2,123,610</u>          | <u>14,331</u>     |

See independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Table 21 (Continued)**

**Capital Asset Information  
June 30, 2014  
(Unaudited)**

**Junior High/Middle Schools**

| <b>Schools</b>            | <b>Year<br/>Opened</b> | <b>Square<br/>Footage</b> | <b>Enrollment</b> |
|---------------------------|------------------------|---------------------------|-------------------|
| Abita Springs Middle      | 1923                   | 89,618                    | 440               |
| Bayou Lacombe Middle      | 1956                   | 53,303                    | 176               |
| Boyet Junior High         | 1963                   | 104,585                   | 770               |
| Carolyn Park Middle       | 1966                   | 68,785                    | 277               |
| Clearwood Junior High     | 1978                   | 95,061                    | 638               |
| Creeside Junior High      | 2002                   | 105,799                   | 565               |
| Fifth Ward Junior High    | 1949                   | 116,301                   | 526               |
| Folsom Junior High        | 1957                   | 55,901                    | 218               |
| Fontainebleau Junior High | 1996                   | 134,666                   | 937               |
| Lake Harbor Middle School | 2001                   | 80,714                    | 691               |
| Lee Road Junior High      | 1964                   | 108,603                   | 801               |
| Little Oak Middle         | 1980                   | 111,456                   | 1,031             |
| Madisonville Junior High  | 1949                   | 75,264                    | 642               |
| Mandeville Junior High    | 1956                   | 97,072                    | 654               |
| Mandeville Middle         | 1985                   | 79,677                    | 773               |
| Monteleone Junior High    | 2005                   | 92,407                    | 502               |
| Pine View Middle          | 1965                   | 88,474                    | 659               |
| Pitcher Junior High       | 1964                   | 100,687                   | 329               |
| St. Tammany Junior High   | 1966                   | 77,141                    | 627               |
| Slidell Junior High       | 1956                   | 114,734                   | 742               |
| Tchefuncte Middle         | 1994                   | 97,813                    | 802               |
| <b>Totals</b>             |                        | <b>1,948,061</b>          | <b>12,800</b>     |

See independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Table 21 (Continued)**

**Capital Asset Information  
June 30, 2014  
(Unaudited)**

**High Schools**

| <b>Schools</b>     | <b>Year<br/>Opened</b> | <b>Square<br/>Footage</b> | <b>Enrollment</b> |
|--------------------|------------------------|---------------------------|-------------------|
| Covington High     | 1973                   | 218,184                   | 1,513             |
| Fontainebleau High | 1994                   | 285,690                   | 1,705             |
| Lakeshore High     | 2009                   | 201,293                   | 1,014             |
| Mandeville High    | 1977                   | 189,203                   | 1,816             |
| Northshore High    | 1982                   | 204,181                   | 1,477             |
| Pearl River High   | 1967                   | 130,794                   | 697               |
| Salmen High        | 2006                   | 217,037                   | 972               |
| Slidell High       | 1949                   | 217,455                   | 1,551             |
| <b>Totals</b>      |                        | <b>1,663,837</b>          | <b>10,745</b>     |

**Special Education**

| <b>Schools</b>      | <b>Year<br/>Opened</b> | <b>Square<br/>Footage</b> | <b>Enrollment</b> |
|---------------------|------------------------|---------------------------|-------------------|
| Covington Pathways  | 1953                   | 50,886                    | -                 |
| St. Tammany Center  | Leased                 | -                         | 168               |
| Operation Jumpstart | Leased                 | 12,478                    | -                 |
| <b>Totals</b>       |                        | <b>63,364</b>             | <b>168</b>        |

Source: Student enrollment is as of October 1, 2013 and was obtained from the Information Technology Department. Square footage was obtained from the Construction Department. Square footage does not include portable and temporary buildings being utilized.

See independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Table 22**

**Percentage of Students in Free and Reduced Lunch Program  
Last Ten Fiscal Years  
(Unaudited)**

| <b>School Year</b> | <b>Free</b> | <b>Reduced</b> | <b>Total</b> |
|--------------------|-------------|----------------|--------------|
| 2013-2014          | 39.44%      | 8.32%          | 47.76%       |
| 2012-2013          | 39.04%      | 8.17%          | 47.21%       |
| 2011-2012          | 38.98%      | 8.06%          | 47.04%       |
| 2010-2011          | 38.40%      | 7.23%          | 45.63%       |
| 2009-2010          | 36.48%      | 8.31%          | 44.79%       |
| 2008-2009          | 35.01%      | 8.36%          | 43.37%       |
| 2007-2008          | 32.95%      | 7.68%          | 40.63%       |
| 2006-2007          | 34.41%      | 7.41%          | 41.82%       |
| 2005-2006          | 20.61%      | 5.07%          | 25.68%       |
| 2004-2005          | 28.95%      | 7.08%          | 36.03%       |

Source: Louisiana Department of Education website.

See independent auditor's report.



**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Table 23**

**History of High School Graduates  
Last Ten Fiscal Years  
(Unaudited)**

| <b>School<br/>Year</b> | <b>Total</b> |
|------------------------|--------------|
| 2014                   | 2,242        |
| 2013                   | 2,228        |
| 2012                   | 2,156        |
| 2011                   | 2,227        |
| 2010                   | 2,173        |
| 2009                   | 2,115        |
| 2008 ***               | 2,199        |
| 2007 **                | 2,072        |
| 2006                   | 1,994        |
| 2005                   | 1,960        |

Source: St. Tammany Parish School Board Information Technology Department.

\*\* Preliminary information only does not include summer school graduates.

\*\*\* Preliminary information only does not include the dropout count.

See independent auditor's report.



"Proud Bird"

George Stokes - Grade 8  
Tonya Hendon - Teacher  
Monteleone Jr. High School

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**SINGLE AUDIT SECTION**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

**Independent Auditor's Report**

To the Members of the  
St. Tammany Parish School Board  
Covington, LA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Tammany Parish School Board (the School Board), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated December 3, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script, appearing to read "LaPorte".

A Professional Accounting Corporation

Covington, LA  
December 3, 2014

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

**Independent Auditor's Report**

To the Members of the  
St. Tammany Parish School Board  
Covington, LA

**Report on Compliance for Each Major Federal Program**

We have audited St. Tammany Parish School Board's (the School Board) compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2014. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the School Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Board's compliance.

## **Opinion on Each Major Federal Program**

In our opinion, St. Tammany Parish School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

## **Report on Internal Control Over Compliance**

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Tammany Parish School Board as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements. We issued our report thereon dated December 3, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

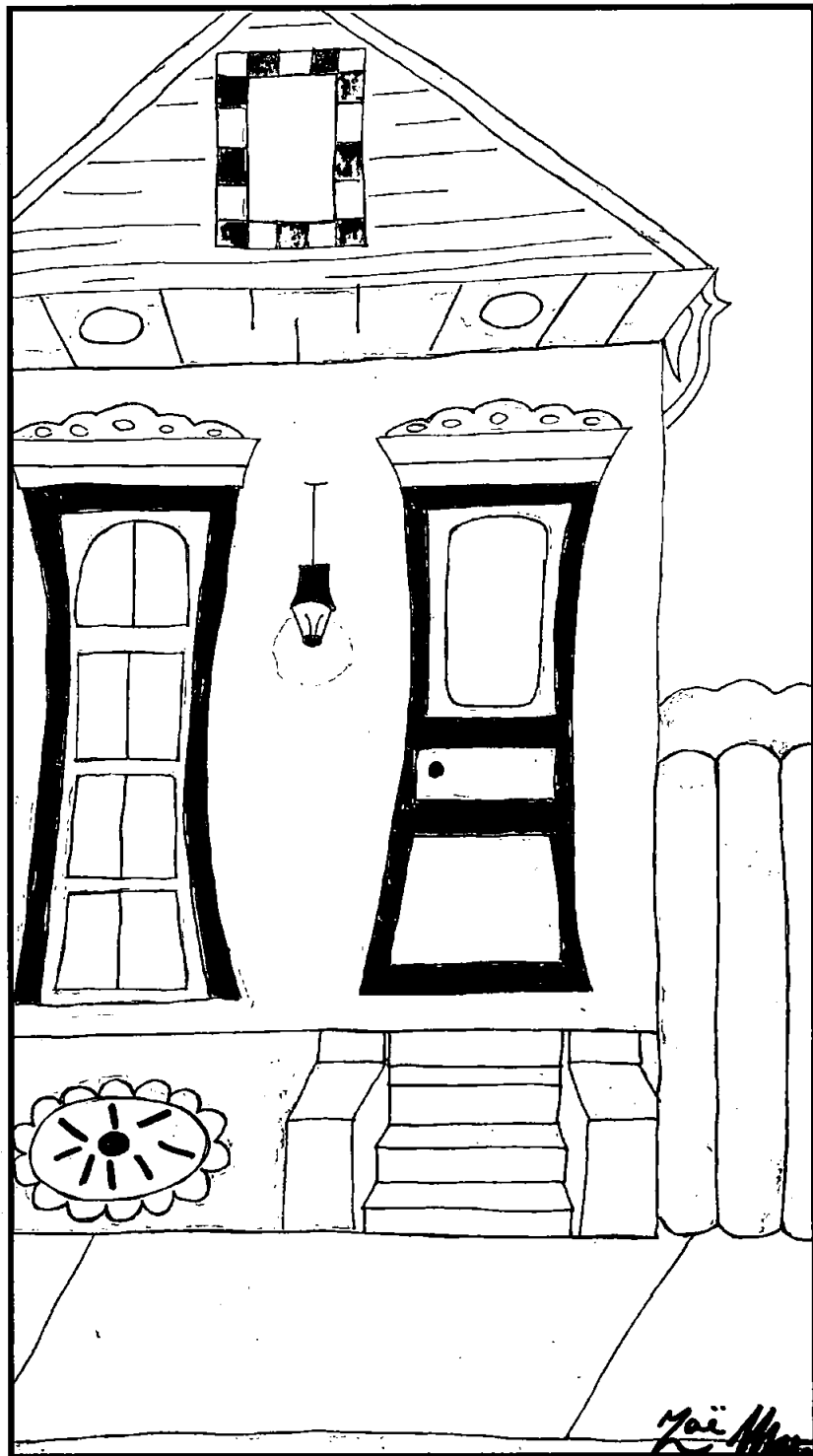
This report is intended solely for the information and use of the School Board, the State of Louisiana, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana, and is not intended to be, and should not be, used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA  
December 3, 2014





"Blue Cottage"  
Zoe Martin - Grade 11  
Shelley Hickman - Teacher  
Covington High School

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2014**

| <b>Federal Grantor/<br/>Pass-Through Grantor/<br/>Program Name</b> | <b>CFDA Number</b> | <b>Pass-Through<br/>Grantor<br/>Award Number</b> | <b>Expenditures</b> |
|--|--------------------|--|---------------------|
| <b><u>UNITED STATES DEPARTMENT OF AGRICULTURE</u></b>              |                    |  |                     |
| Passed through the Louisiana Department of Education               |                    |  |                     |
| Commodities Program  | 10.555             | NONE   | \$ 994,789          |
| School Breakfast Program   | 10.553             | NONE   | 2,444,296           |
| National School Lunch Program                                      | 10.555             | NONE   | 7,606,043           |
| Summer Food Service Program  | 10.559             | NONE   | 62,972              |
| Team Nutrition Grant   | 10.574             | NONE   | 26,160              |
| <b>Total - United States Department of Agriculture</b>             |                    |  | <b>11,134,260</b>   |
| <b><u>UNITED STATES DEPARTMENT OF EDUCATION</u></b>                |                    |  |                     |
| Passed through the Louisiana Department of Education               |                    |  |                     |
| Title I: Helping Disadvantaged                                     | 84.010A*           | S010A130018                                      | 5,826,165           |
| Title II: Dwight D. Eisenhower                                     | 84.367A*           | S367A130017                                      | 1,423,189           |
| Title III: English Language Acquisition                            | 84.365A            | S354A130018                                      | 121,794             |
| <b>Total NCLB</b>  |                    |  | <b>7,371,148</b>    |
| IDEA Part B  | 84.027A            | H027A130033                                      | 8,654,378           |
| IDEA Preschool   | 84.173A            | H173A130082                                      | 171,763             |
| <b>Total IDEA</b>  |                    |  | <b>8,826,141</b>    |
| Education for Homeless Children and Youth                          | 84.196A            | S196A13019                                       | 80,000              |
| 21st Century CLC   | 84.287C            | 723481   | 693,574             |
| Striving Readers Comprehensive Literacy Program                    | 84.371C            | S371C110045-12                                   | 1,241,236           |
| Advanced Placement Test Fee Program                                | 84.330B            | S330B130028                                      | 90                  |
| Statewide Superintendent's Collaboration                           | 84.413A            | B413A120002                                      | 255                 |
| <b>Total Other Federal</b>   |                    |  | <b>2,015,155</b>    |
| Vocational Education - Carl Perkins                                | 84.048             | V048A130018A                                     | 374,644             |
| <b>Total - United States Department of Education</b>               |                    |  | <b>18,587,088</b>   |

See notes to schedule of expenditures of federal awards.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2014**

| <b>Federal Grantor/<br/>Pass-Through Grantor/<br/>Program Name</b>       | <b>CFDA Number</b> | <b>Pass-Through<br/>Grantor<br/>Award Number</b> | <b>Expenditures</b>  |
|--|--------------------|--|----------------------|
| <b><u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>      |                    |  |                      |
| Passed through the Louisiana Department of Education                     |                    |  |                      |
| LA 4 - TANF  | 93.558B*           | G-1003LATANF                                     | 1,945,592            |
| Jobs for America's Graduates - TANF                                      | 93.558*            | G-1003LATANF                                     | 105,000              |
| Early Childhood Community Network Pilots - ARRA                          | 93.708             |  | 8,000                |
| Early Childhood Community Network Pilots - CCDF                          | 93.575             |  | 62,068               |
| <b>Total - United States Department of Health and Human Services</b>     |                    |  | <b>2,120,660</b>     |
| <b><u>UNITED STATES DEPARTMENT OF DEFENSE</u></b>                        |                    |  |                      |
| Direct Aid   |                    |  |                      |
| Army - JROTC   | 12.998*            | NONE   | 210,316              |
| Marines - JROTC  | 12.998*            | NONE   | 43,177               |
| Navy - JROTC   | 12.998*            | NONE   | 216,439              |
| <b>Total - United States Department of Defense</b>                       |                    |  | <b>469,932</b>       |
| <b><u>UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>  |                    |  |                      |
| Passed through the Louisiana Office of Community Development             |                    |  |                      |
| Community Development Block Grant  | 14.228             | 671-859  | 1,052,541            |
| <b>Total - United States Department of Housing and Urban Development</b> |                    |  | <b>1,052,541</b>     |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>                              |                    |  | <b>\$ 33,364,481</b> |

\* denotes a major program

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2014**

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**Note 1. General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the St. Tammany Parish School Board (the School Board). The School Board reporting entity is defined in the notes to the financial statements for the year ended June 30, 2014. All federal awards received directly from federal agencies are included on the schedule as well as federal awards passed through other government agencies. The following programs are considered major federal programs for single audit purposes of the School Board:

Title I: Helping Disadvantaged (CFDA 84.010A)  
Title II: Dwight D. Eisenhower (CFDA 84.367A)  
Temporary Assistance for Needy Families (CFDA 93.558)  
JROTC (CFDA 12.998)

**Note 2. Basis of Accounting**

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in the notes to the School Board's basic financial statements for the year ended June 30, 2014. Commodities received, which are non-cash revenue, are valued at prices provided by the U.S. Department of Agriculture. Any received but unused commodities are recorded as deferred revenue until used.

**Note 3. Relationship to General Purpose Financial Statements**

Federal award revenues are reported in the School Board's financial statements as follows:

|   |                             |
|---|-----------------------------|
| General Fund  | \$ 469,932                  |
| Katrina Fund  | 203,451                     |
| Special Revenue Funds   | <u>32,894,549</u>           |
| Subtotal Federal Sources  | 33,567,932                  |
| Carryover Expenditures  | <u>(203,451)</u>            |
| <b>Total Reported on Schedule of<br/>Expenditures of Federal Awards</b> | <b><u>\$ 33,364,481</u></b> |

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Notes to Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2014**

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**Note 4. Relationship to Federal Financial Reports**

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports, except for the amounts in reports submitted as of a date subsequent to June 30, 2014, which will differ from the schedule by the amount of receivable as of June 30, 2014, liquidated to the dates of the reports.

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2014**

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**Section 1**

**Financial Statements**

- |    |  |            |
|----|--|------------|
| 1. | Type of auditor's report   | Unmodified |
| 2. | Internal control over financial reporting                                    |            |
| a. | Material weaknesses identified   | None       |
| b. | Significant deficiencies identified not considered to be material weaknesses | None       |
| c. | Noncompliance material to the financial statements noted                     | None       |

**Federal Awards**

- |    |   |             |
|----|---|-------------|
| 1. | Internal control over major programs  |             |
| a. | Material weaknesses identified  | None        |
| b. | Significant deficiencies identified not considered to be material weaknesses            | None        |
| 2. | Type of auditor's report issued on compliance for each major program                    | Unmodified  |
| 3. | Audit findings disclosed that are required in accordance with OMB A-133, Section 510(a) | None        |
| 4. | Identification of major programs  |             |
|    | 84.010A      Title I: Helping Disadvantaged   |             |
|    | 84.367A      Title II: Dwight D. Eisenhower   |             |
|    | 93.558      Temporary Assistance for Needy Families                                     |             |
|    | 12.998      JROTC   |             |
| 5. | Dollar threshold used to distinguish between Type A and B programs                      | \$1,000,934 |
| 6. | Auditee qualified as a low-risk auditee under OMB A-133, Section 530                    | Yes         |

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2014**

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**Section 2**

**Financial Statement Findings**

None

**Federal Awards Findings and Questioned Costs**

None

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**Summary Schedule of Prior Year Findings and Questioned Costs  
For the Year Ended June 30, 2014**

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Financial Statement Findings

None

Federal Awards Findings and Questioned Costs

None